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Sixth Russian Congress of People's Deputies

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7 April

Khlystun Briefs Congress on Agrarian Reform

LD0804002992 Moscow Radio Rossii Network in Russian 0936 GMT 7 Apr 92

[Speech by Agriculture Minister Viktor Khlystun at the Sixth Congress of People's Deputies evening session in the Grand Kremlin Palace in Moscow—live]

[Text] Esteemed Presidium, Esteemed People's Deputies:

The negative tendencies that have emerged in the agrarian sphere over the last few years manifested themselves in the most distinctive way in 1991 and have created an extremely complicated situation for starting up economic reform in the agro-industrial complex.

The volumes of production and procurement of the main agricultural products have decreased. In 1991 gross output decreased by 5 percent—and by 8 percent in collective and state farms—compared to the previous year. The yields of agricultural crops have substantially dropped. In 1991 the unworkability of the existing system of state purchases manifested itself graphically. In conditions of an upset financial system and mounting inflation the state purchases of grain were 34 percent down from the previous year, the purchase of strong wheat decreased three times, and this list of negative tendencies could be continued.

The economic state of agricultural enterprises continued to deteriorate. The level of profitability dropped from 37 down to 33 percent last year whilst the debt of agricultural enterprises went up to 42.4 billion rubles [R]. In connection with a fall in supplies of agricultural raw materials, the output of processing and food industries has sharply fallen. Taking into consideration this most complex situation, the government took additional measures for stabilising the situation in the food and processing industry. Currently a number of credit lines for providing equipment, materials, preparations and so on is being studied. It was possible to somewhat increase the average daily production of dairy items, animal fat by 24 percent, cheese by 24 percent, meat and dairy tins by 4-10 percent in March.

During 1991 the reduction in numbers of livestock on public [obshchestvennykh] farms, which started as early as 1987, continued, something which was directly linked with the removal of administrative restrictions on the numbers of cattle and the chronic shortage of fodder. And the scale of absolute reduction of numbers substantially increased in 1991. The annual reduction of the volumes of procured forage resulted, by the beginning of the current year, in a marked fall in livestock performance.

One must say that less than 50 percent of the genetic potential of high-performance livestock are being used today. Cattle plague has increased while its survival has shrunk caused by lack of required amounts of veterinary preparations. Last year, owing to unfavorable weather conditions, considerably less forage was procured in a number of agricultural regions of the republic than in the previous years, and in early 1991 the decrease amounted to 17 percent. This, of course, could not fail to affect the current situation in the agro-industrial complex.

In this period, meaning three months, production of meat was down by 206,000 tonnes on last year, and the volume sold wholesale in those months was down by 564,000 tonnes, which is almost 59 percent. As a result, the amount of meat and meat products remaining in refrigerators and at processing enterprises is now 87 percent higher. We are getting a paradoxical situation where enormous resources have accumulated at a time of food shortages.

In spite of immense difficulties in preparing for the spring sowing, readiness today is nevertheless at roughly the same level as last year, and for some indicators it is even slightly better. According to preliminary estimates, agricultural producers will be using a larger area for the 1992 harvest than in 1991. It is planned to sow cereals on almost 500,000 hectares more. Unfortunately, slightly less space will be taken up by publicly produced potatoes and vegetables, but it is planned that this gap will be filled by the private sector.

The agrometeorological situation is not developing badly. We expect that no more than 1,200,000 hectares of winter cereals will have to be reseeded, and that is also much better than last year. We are quite well off for seed, but there are difficulties in preparing agricultural equipment, and the most acute problem in preparing for the sowing is the availability of aircraft fuel and the herbicides and pesticides that are absolutely essential to obtain a normal harvest. We today have a little over 50 percent of the chemical means of protecting plants that we need.

In spite of the problems in providing fuel and power resources for the whole economy, the government has taken a number of measures to ensure that the agricultural sector has supplies of fuel and lubricants; and today, with the exception of a few regions, supplies are mostly available in the volumes necessary for spring field work.

The economic situation in the agro-industrial complex has been complicated considerably as a result of the switch to market relations, the deregulation of prices and the certain degree of tightening of budgetary policy in the first quarter of this year. The financial position of agricultural producers today is such that whereas agricultural enterprises had R46 billion in accounts at the start of the year, today almost 80 percent of that exists on paper only. One of the most acute issues remains the problem of ensuring parity for agricultural and industrial output. It has to be said that this was not adhered to last year either, but it has been manifested most starkly now. It has already been said from this platform that while

prices for agricultural output have risen by a factor of five to seven, the prices of industrial output for rural areas have risen in real terms by a factor of 12 to 15 and for some types of output by a factor of 30 and more.

The deregulation of prices has had a negative effect on the intersectoral proportions of distribution, and today machinery, materials and equipment worth nearly 150 billion rubles [R] that are not being purchased by agricultural enterprises owing to lack of funds have accumulated at Agrosnab depots. Given the costs of producing agricultural output that are taking shape, a situation is coming about in which the income of agricultural enterprises will amount to R692 billion while the sum needed for the purchase of necessary resources will exceed R1 trillion.

Serious difficulties have arisen in the sphere of capital construction in the countryside. Owing to the tightening of investment policy, very few resources have reached agricultural enterprises during the first months. A decision has been adopted today to preserve the amount of the investment financing for the agricultural complex at the level of the previous year, 1991, and that would be no bad thing so long as one did not bear in mind that a transfer coefficient of 4.4 is being put aside for investment, whereas, in fact, the coefficient of expenditure on construction amounts to over 12. Particular loss may be inflicted on specialized kinds of construction, such as road-building, aquicultural and gasification work. The construction of housing, and primarily individual housing, may decline sharply.

The programs for the social development of the countryside adopted in accordance with a decision of the Second Congress of People's Deputies were not, unfortunately, carried out last year. This was built in from the outset, since, in the budget that was endorsed, the deficit as regards the funds for carrying out these programmes stood at less than 70 percent. According to our calculations.

Seven and one half percent of the national income was allocated last year to the social sphere in the countryside and to the agro-industrial complex as a whole. This year, the figure is expected to somewhat lower, but, in any case, it will not manage to reach a level of 15 percent.

Assessing the situation in the agro-industrial complex realistically and critically, the government and the president are taking a number of measures to extricate it from the crisis situation. A number of decrees and decisions adopted in February and March provide for 50 percent compensation for expenditure on fuel and lubricants used during fieldwork, as well as the payment in the first half-year of the 1991 backlog of compensation for the prices of agricultural and industrial output. There is provision for compensation for expenditure by all those with land-tenure on putting lime and phosphate into the soil, land-improvement work and initial cultivation. A decision has been adopted on the repayment of foreign-currency debts as and when foreign-currency resources are received.

In the presidential decree of the 4th—Boris Nikolayevich has already mentioned it—a fundamental decision was taken to subsidize agricultural producer-goods per tonne of livestock produce sold. Moreover, one must bear in mind that this is in no way a retreat from the strategy of economic reform. It is real support for agricultural producer-goods. It is a practice that is employed throughout the civilized world.

The government has been instructed, together with the Central Bank, to resolve within 10 days the question of allocating to the countryside a further 70 billion rubles in credit resources and the decision has been taken on investment credits for the countryside.

A few words about the progress of the agrarian reform. The package of documents adopted at the end of last year and the beginning of this one defined the philosophy, mechanism and contents of agrarian reform. On the basis of these, work was completed on elaborating a detailed program for implementing it. The reform sets itself the aim—by reforming property relations, by making structural changes and by achieving a technological breakthrough in the main sectors—first to stabilize the situation in the foodstuffs complex and to ensure conditions for increasing the production of agricultural products in the long term.

Agrarian reform is proceeding with very great difficulties. Its implementation entails overcoming innumerable barriers—economic, sociopsychological, technological and others. We constantly come up against not only opposition but also distortion of its essence, deliberate misinterpretations discrediting its philosophy and the mechanism for carrying it out

It is a very deeply mistaken opinion that this is a very simple process amounting only to dividing up the land and the means of production. Without creating the necessary economic and technological infrastructure commensurate with the needs of the new forms of economic management, the reform may reach an impasse. Therefore, in parallel with creating peasant farms and reorganizing collective and state farms, the government is applying efforts to create the necessary conditions for the creation, on an entrepreneurial basis, of systems of bank and insurance services, technical servicing, systems of purchasing, storage, processing and marketing of products. This is an extremely complicated problem which will require a certain amount of time to resolve. It can be solved partially on the basis of existing enterprises but in the main by creating new ones on an entrepreneurial basis.

In order to secure a technological breakthrough, the government plans to implement structural changes providing incentives to master progressive technologies, to replace low-productivity cattle with the extensive

involvement of foreign investments and know-how in the whole sphere of the agro-industrial complex.

Quite good possibilities for this are now opening up in connection with the interest of the World Bank and the European Bank of Reconstruction and Development in granting credits on favorable terms for the development of the foodstuff complex of the republic.

Over the three months since the appearance of the package of documents the process of transformations has considerably speeded up. There has been an increase of over 50 percent in the number of peasant farms and at present there are over 80,000 of them in Russia. In two months 3,600 of the 24,000 collective and state farms have been reformed. This number includes 390 which decided to change over to the form of an association of peasant farms and free goods-producers, over 2,000 became joint-stock companies and the others became cooperative enterprises with shared form of property; and of this number 9 percent took the decision to keep the former form of economic management.

It has to be said that the reform is proceeding without any kind of administrative pressure. This is confirmed by the fact that farms are being registered, with the proviso that decisions are being made collectively to preserve the previous form of economic management.

Information collected from 50...[corrects himself] from 88 regions of Russia testifies to the fact that only 254 farms in these oblasts have refused plots of land allocated to them earlier—one has peasant farms in mind. But the heads of almost 1,800 farms are not certain that they will succeed in making rational use of the land this year due to a lack of resources for obtaining equipment, seeds, fuel, and lubricants. One has to note that in a number of oblasts, even after the earmarked, special allocation of both fuel and lubricants and seeds precisely for the smallholders farms—precisely for them—they never got there.

An operations group has now been set up in the ministry to investigate these processes. We are trying to ensure that not a single farmer goes without the necessary resources at the start of sowing.

The program to further develop agrarian reform envisions the further completion of legislation on developing the agrarian sphere; the carrying out of structural transformations in the agro- industrial complex; the development of land reform; the formation of new credit, finance, investment, and tax policies; the demonopolization of the agro-industrial complex; the creation of conditions for the development of small and medium-size business; the reform of foreign economic activity in this sphere; state stimulation of the production of various kinds of products to support producers; equipment; and the technological reequipping of the agro-industrial complex.

In a number of regions, they have already started the elaboration and implementation of comprehensive regional projects to create new economic management systems, with all the necessary infrastructure and with the involvement of foreign companies, and the government is supporting these projects in every possible way.

The agrarian reform is currently in the initial stage, but it can already be said today that the process is irreversible and is gathering speed.

Thank you.

Disposition of Congress Forces Said 'Unstable'

MK0604145392 Moscow NEZAVISIMAYA GAZETA in Russian 8 Apr 92 p 1

[Aleksey Zuychenko report under "Russia" rubric and general headline: "Attack on Government Repulsed. But Is Gaydar Not Being Too Hasty With His Change of Course?"]

[Text] The disposition of forces at the Sixth Congress of People's Deputies remains extremely unstable at the end of its second day of work [7 April]. According to the assessment of the experts who analyzed the 11 main ballots of the first day, a total of 485 people—that is, over half of the deputies present at the congress—displayed a resolute intention to strip President Yeltsin of his additional powers and try, if not to bring about the resignation of the government, then at least ensure that the key figures in it are changed. The addresses made by Boris Yeltsin and the brilliant speaker Vice Premier Yegor Gaydar scarcely had an effect on the parliamentarians' moods. Although the audience did bestow friendly applause on the "father of the reform."

Maybe that was the circumstance that gave certain observers a reason to draw the conclusion that the deputies have "grown up"—they are not as programmed as before and display a certain responsibility toward the addresses being made by the speakers.

All the indications are that many deputies, irrespective of their political positions, consider the main question on the congress agenda to be the issue of the president's powers and their attitude toward the government. Meanwhile the draft Constitution has been somehow pushed into the background. The "Smena" faction and the "Russian Unity" bloc, which was formed two days ago and brings together communists and "patriots," are continuing to head the opposition against the Yeltsin-Gaydar line. Drafts of the "Resolution on Organizational and Econpomic Issues" circulated by these groups state that there is "a disastrous state of affairs in connection with the government's 'reform' activity" and the way reforms are proceeding is deemed unsatisfactory. The congress is instructed to remove the president's powers, forbid him from combining this post with that of premier, and make it incumbent on him to submit a new head of government to parliament in the near future.

Trying—and seemingly not without success—to win round the industrialists, Boris Yeltsin promised to dilute

the cabinet with their representatives, and alleviate the tax policy to a certain extent. Judging by the mood of the industrial lobby in the hall, and particularly the guests on the balcony, the president and the government are close to their aim. Although he is trying to enlist the sympathies of the industrialists, Boris Yeltsin does not intend to part with his powers or "give up" any of the ministers, believing that this would be to give up the reform process, and that "people would not remain indifferent to such a turn of events."

The unification of extreme left wing and extreme right wing parliamentarians and the danger hanging over the Yeltsin-Gaydar government have apparently forced a number of factions which once made up "Democratic Russia" to forget their differences and enter into a coalition once again. The protection of the additional powers and the cabinet as a whole and each minister in particular has become the unifying slogan. No unity has been reached as yet on the issue of whether Boris Yeltsin should remain premier or not, although the majority believe that "Gaydar will nonetheless not be ratified purely on the basis of his looks."

Commentary Views Yeltsin's Report to Congress

PM0804151492 Moscow ROSSIYSKAYA GAZETA in Russian 8 Apr 92 Single Edition p 1

[Commentary by Vitaliy Kovalenko: "Price Liberalization Is Not Even the Beginning of Change"]

[Text] With a single sentence the president sent us back to square one. In his report at the Congress yesterday he stated that the January liberalization is in no way the beginning of the reforms, it is only the completion of the policy of the Ryzhkov and Pavlov cabinets.

Painful as it may be to admit that for the umpteenth time we are back at the beginning, one must agree with this assertion. Indeed, in the preceding years so much money was pumped into the economy that the balance between demand and supply was totally destroyed and we were left with no alternative to price liberalization.

In fact, spontaneous liberalization began long before the advent of the Gaydar government. By the middle of last year 45 percent of wholesale prices and half of all prices in retail trade were free. By the fall, the state's potential for controlling prices was virtually lost, and the January liberalization was a de jure recognition of a fait accompli.

The state has lost control of its own economy. The recognition of this puts an end, in my view, to the division of society into marketeers and antimarketeers. It is not likely to occur to anyone to accuse the former Union government of deliberately building a market economy. It did its utmost to stand firm. But even with the mighty administrative edict system at its disposal, it was unable to resist the pressure of life, and it "caved in" before our supermonopolies and started following their diktat, knowing very well that it was leading the country to collapse.

The Gaydar government must be credited with removing the illusion of pseudomanagement. Today there are no real levers to make the economy develop in the required direction. The country is disastrously short of food and consumer goods, and it was in these very spheres that production was cut back fastest in the first quarter, faster even than the defense sector. But the very fact of recognizing the lack of control is a plus. And a very material one: Commodity stocks in the trade sector have risen to 47 days. According to Selyunin, that has not happened since 1970. True, this is in no way associated with the prosperity of the seventies. But in my view, it is here that we find the fundamental paradox of controllability, the removal of which will mark the start of reforms.

Huge commodity stocks are the apex of the triangle, while the two angles at its base are production and consumption. Consumption has today fallen below all permissible limits: According to figures from the Ministry of Social Protection, the monetary income of 30 million citizens of Russia is insufficient to prevent death from starvation, while 93 percent of the population is below the poverty line.

But on the other hand, production is also at an impasse: Mutual nonpayments have topped 800 billion rubles. In other words, enterprises cannot sell what they produce, and logically they should drop their prices, thereby allowing the population to increase their level of consumption.

The trouble is, however, that that is the logic of the normal market. What we have is a monopoly market, characterized by an entirely different logic—cut back production, but hold prices, which is what we are seeing today. In order to break this trend, levers are needed, but there are none—the old administrative levers no longer operate, the market ones have yet to be created. And it is no accident that in his report the president said that one of the main tasks of today is the formation of a real (rather than theoretical) mechanism for putting pressure on prices.

Basically it is a question of assembling from all the available measures of influence that exist today—both old and new—some kind of package for the transitional period to make it possible to rein in the economy, which has gotten out of control, and make it work in society's interests. And that will be the beginning of a real reform, the results of which will be perceptible immediately.

Report Assesses Yeltsin Economic Report

AU0904143692 Bratislava PRAVDA in Slovak 7 Apr 92 p 9

[Report by Felix Alexejev: "A Lot Was Left Unanswered"]

[Text] Russian President and Prime Minister Boris Yeltsin delivered a report on economic reform to the Congress of People's Deputies in Moscow yesterday. He warned the deputies not to attempt to transform the current presidential system into a parliamentary system.

He ardently defended his government's policy and announced some partial changes in economic reform.

"A lot was left unanswered" is how Grigoriy Yavlinskiy, the well known Russian economist, assessed President Yeltsin's report to the Russian parliament. "Undoubtedly, the course of reform must continue," said Yavlinskiy in an interview with our correspondent. "However, many issues remained unanswered in the president's address."

Yavlinskiy and Academician Shatalin are regarded as the authors of one of the first radical reforms in the Soviet Union, a reform known as "500 Days." In the opinion of many observers, Mikhail Gorbachev nullified its radical contents by means of half-hearted measures and compromises. Grigoriy Yavlinskiy is remembered in connection with those people who can devise a program to drag the country out of its economic crisis.

Yavlinskiy thinks that vital issues concerning interrepublican relations are among those the president did not deal with. "There is a danger that these relations will turn into an economic war. It is also unclear how the government intends to implement a policy of financial stability in a situation where there are 15 parliaments and governments and the same number of republican budgets."

"The president rejected the analyses," stressed Yavlinskiy, "in such key areas as privatization, land reform, and implementing demonopolization measures. After all, the true course of reform is assessed in accordance with these analyses. Nothing was said about another vital issue—what kind of economic brakes can be applied to stop Russia sliding into disintegration and collapse. The government is not assessing the situation precisely enough if it is convinced that the institutional processes are beginning to recede into the background as a result of the measures it has adopted. On the contrary," points out Yavlinskiy, "hyperinflation is beginning to take hold in the country. The enterprises' indebtedness—amounting to 800 billion rubles—is a sign that the economy is on the verge of disintegrating into an uncontrollable process. All of this means that the government should deal with the real problems and take rapid retaliatory measures."

Yavlinskiy is alarmed by the fact that the president's speech contained hints of his readiness to accede to too many compromises. "There was a politician not so long ago in the Kremlin assembly hall where we are speaking who accepted compromises at every step of the way. We all know how that ended," he said.

What is his attitude toward the view that the agreement with the International Monetary Fund is a betrayal of national interests? "We cannot live without acquiescing to something. It is necessary to cooperate with the IMF, but we do not have to shrink from its blows. The government must make it absolutely clear that it will put forward its own plan for implementing reform and will not operate under an IMF diktat."

Do you think the government will have to step down? No. It is nonsense to change the government every three or four months. Today the president underlined his support for the course of government reform. However, there must also be feedback. The government must be able to accept public opinion, including professional opinion."

We asked Yavlinskiy if he would be willing to enter the government in a critical situation and take on part of the responsibility for implementing reform. "The issue has nothing to do with how critical the situation is, but with whether I would have any opportunity at all to take on responsibility and create conditions for resolving our problems and any opportunity to say with whom I can put the ideas I share into practice. The issue for me is not about entering the current team and becoming just another figure among the others."

Does Yeltsin have to lead the team under all circumstances, is our last question. "Yeltsin is the president. He is the politician with whom it is necessary under all circumstances to conduct a dialogue," replied Grigoriy Yavlinskiy.

Further Reaction to Economic Report

MK080415l092 Moscow NEZAVISIMAYA GAZETA in Russian 8 Apr 92 pp 1-2

[Mikhail Leontyev report under "Reform" rubric and general headline: "First Attack on Government Repulsed. But Is Gaydar Not Being Too Hasty In Changing Course?"]

[Excerpts] The draft congress agenda, which presupposed a report by Yeltsin on the progress of economic reform and a report by Gaydar on the problems of the extreme North, testified more clearly than anything else to the fact that the parliamentary leaders and a siginificant proportion of the Russian deputies do not want to hear "anything about reform" but are dying to show the executive power "who is in charge."

The president's report and the first vice premier's co-report deprived them of this pleasure to a certain extent. Yeltsin made a transparent allusion to the effect that he hopes that the present deputies would be able to dispel the electorate's doubts as to their capability. Otherwise, as is known, the president has other options in store.

The main content of the economic part of Yeltsin's report was the transition from the enforced tough monetary-credit restriction to a second phase of reform: the beginning of a targeted structural and institutional economic reform. That is how the slogans go. In reality, however, the president submitted a list of amendments to the government's course which the government had promised on the eve of the congress.

Yeltsin stated that that the time had come to alleviate the burden of taxation, explaining this by saying that budget equilibrium was to a great extent restored during the first

phase. Targeted tax concessions on investments "granted on the basis of unified criteria" are being proposed. [Passage omitted]

The main thing in the reform strategy will be a sharp move away from full price liberalization toward a "restriction of freedoms for the expenditure economy. This is a question of "finding a method of putting pressure on prices." I fear that the method that will be found will involve restrictions on profitability for so-called "monopolists'—a method that has already proved its destructiveness in our conditions.

From all that has been expounded above, you might draw the conclusion that the government is prepared to amend its policy significantly, as it declared back in January. However, this about-face clearly looks premature, since its preconditions, that is, budget equilibrium, the stabilizaton of the ruble, and the monetarization of the economy, have not been achieved. The government has only just won its first victories on this path and is risking losing everything it has achieved by "cracking" under pressure from parliamentary lobbies.

There is only one explanation for the government's tactical weakness: It is preparing for a second round of liberalization—releasing prices for energy sources. It was this very question that the president specifically avoided in his report.

The imminent price hike for petroleum, gas, and coal, though it has been put back to June and is divided into subsequent phases and adapted for the state of the weakened Russian economy, may easily eat up all the enforced and even excessive concessions in the monetary-credit sphere. Therefore the thesis announced by Yegor Gaydar about the transition from the super-tough policy "inspired by the courage of despair" to the recovery phase of structural perestroyka and economic galvanization should at the moment (fortunately) be considered somewhat exaggerated. Gaydar's main trump card, capable of paralyzing the critical outbursts of the deputies who are psychologically equal to the task, was the awaited Western aid programs, "comparable in scale only to the Marshall Plan." It is only thanks to the tough nature of the present government policy that the "preconditions for expanding the economy on the basis of large resources, which cannot be compared with the resources of our own state budget," have taken shape, according to Gaydar. It must be admitted that this argument is the most serious one in the current team's reserve, but only insofar as the intentions and possibilities of pursuing the course announced in the government memorandum remain serious.

Central Bank Chief Matyukhin made a pathetic but accurate attempt to deprive the government of such possibilities the day before on the eve of the congress. In his speech, devoted mainly to technical problems involved in ensuring the emission of cash, Matyukhin accused the government of robbing the people and promised to provide them with plenty of paper money if the "Goznak" factory is transferred to the Central Bank. The idea was immediately supported by the chairman. "We have repeatedly adopted decisions on coordinating the bank's work with that of the government," Khasbulatov stated. "However, we were probably wrong, and it is time for the Central Bank to pursue its own policy, which is what is done in all civilized countries."

Such a careless "flanking maneuver" may cost Matyukhin his job. Yeltsin answered a direct question concerning the capability of the head of the Central Bank in carrying out his duties by saying that he had dealings with him when he was Supreme Soviet chairman and he had many complaints about Matyukhin. " I don't think he has gotten rid of his failings in that time."

Khasbulatov, Rutskoy Make Positive Impressions

FM0804130792 Moscow IZVESTIYA in Russian 8 Apr 92 Morning Edition p 1

[Article by Nikolay Andreyev: "On the Art of Conducting the Congress"]

[Text] The start of the Sixth Congress of Russian People's Deputies has proved how significantly R. Khasbulatov has grown in the art of conducting the corps of deputies. I remember how, after his election at the First Congress, he timidly and even somewhat warily took up the post of deputy chairman of the Supreme Soviet. And how perplexed Khasbulatov was when B. Yeltsin handed him the reins of the First Congress and went off to St. Petersburg (then Leningrad) for two days. I felt sorry for the speaker. The deputies behaved impudently, not at all wishing to obey the demands and admonitions of a head of department at the Plekhanov Institute.

Today things are different. Today Ruslan Imranovich can perfectly well contend with Anatoliy Lukyanov, the former speaker of the former Union parliament, in the ability to tame the corps of deputies and to direct their passions and feelings into a channel convenient to him. He does so without visible strain. What a small masterpiece he has created out of the routine procedure of shaping the agenda. He so arranged the vote with jests and humorous aphorisms that B. Yeltsin found himself in the front line of fire. It had been assumed that Ye. Gaydar would deliver the report on the government's economic program and the progress of the reform—which seemed perfectly logical: He is the chief driving force behind the economic transformations, and it is up to him to explain their logic and answer for them. Incidentally, Ye. Gaydar has repeatedly demonstrated that he is able to do so brilliantly in sessions of parliament. The deputies voted, however, for precisely the president to deliver the report. You can sense a craving to hone their art of denunciation precisely on him.

R. Khasbulatov's move, when he easily and elegantly demonstrated his political weight, can also only be regarded as brilliant. Deputy P. Filippov demanded that an item be included on the agenda concerning confidence in the Supreme Soviet chairman. He based this on

the premise that the speaker is exceeding his powers and that a usurpation of power is taking place, threatening to develop into Ruslan Imranovich's personal dictatorship. Khasbulatov did not make any response to these pointed accusations. But he put precisely this point—confidence in himself—to the vote first: whether or not to include it on the agenda. Of course he was taking a risk, but it was insignificant, for the political situation is now shaping up in such a way that it benefits the majority of deputies to have Khasbulatov remain in place as a serious counterweight to B. Yeltsin and, particularly, to the government. This was why a majority voted against discussing at the Congress the question of confidence in the Supreme Soviet chairman. This means none other than a vote of confidence in R. Khasbulatov. Need it be said that this boosted his confidence and strength?

The most significant event on the first day of the Congress' work, however, was undoubtedly Vice President A. Rutskoy's account of his impressions of his trip to the Dniester region. It is known what a bloody drama is being played out in that region. A. Rutskoy declared firmly and unequivocally in connection with that conflict: The Russian army must defend Russians wherever they may be—this is the first point. Second, Russia must recognize the Dniester Moldovan Republic. He was then reminded that in that case it is also necessary to recognize Tatariya as an independent state. He was also asked: Must the Russian army protect the interests of Russians in Australia or Canada, let us say? This question was put to A. Rutskoy: How does he specifically picture the resolution of the conflict in Moldova? We did not hear any intelligible explanations or answers. The impression gained, however, is that there was nothing unclear here to a section of the corps of deputies, for they voiced full solidarity with the vice president in his aggressive stand.

'Counterreformers' Claim Majority of Congress

MK0704142692 Moscow NEZAVISIMAYA GAZETA in Russian 7 Apr 92 p 2

[Anna Ostapchuk report under "Opposition" rubric: "Left and Right Wings Have Formulated Their Disposition. 'Counterreformers' Expect 60 Percent of Votes at Congress"]

[Text] The party stratum of Russian politics has recently been reminiscent of the Garden of Eden...Workers and employees and communists and noncommunists are regularly fraternizing there like the lion and the lamb. Thus on 5 April while Lysenko and Burbulis were trying to demonstrate the inviolable unity of all the classes and "Democratic Russia" in the struggle for the reform process, the supporters of the Russian People's Assembly headed by Mikhail Astafyev and Viktor Akvuchits, and the "Working Russia" movement—altogether around 50,000 people—displayed their affectionate unity to passersby on Manezh Square. The majority were on the side of the latter. This could be seen both by the abundance of red flags of the former USSR, which were more numerous than the yellow, black, and white ones and the banners of the Andreyeva democratic patriots, and by the presence of a couple of portraits of Lenin on the rostrum. (And it had been stipulated that portraits of Lenin should not be brought along.)

The rally was basically very bellicose in its mood. Tying in their event with the anniversary of the Battle on the Ice, the organizers constantly appealed to the memory of Aleksandr Nevskiy, proposing notably to immediately form a Russian regiment in his name. Alan Chochiyev, first deputy chairman of the South Ossetian Supreme Soviet, informed those gathered that his people were "extraordinarily grateful" to the Russian legion already sent to South Ossetia by the Russian National Republic Party. The slogans "Government of National Betrayal—Resign; Yeltsin for Trial" immediately met the following response from the crowd: "They have already gone to smash the scum." Admittedly, in the final analysis the idea of a home guard turned into a pretty small procession to the Moldavian representation. To make up for it, cries of "Hurrah" greeted Aman Tuleyev's appeals for a five-minute general strike and an unknown woman's appeal for a women's rebellion and "women's fast" (?): "The fact that the cost of one diaper has gone up to 100 rubles signifies the economic sterilization of the nation."

According to Gennadiy Zyuganov, chairman of the people's patriotic forces coordination council, the rally managed to counterbalance the assembly of Russian Federation citizens which was taking place simultaneously.

In the evening of the same day a right left opposition bloc formed among deputies behind the Kremlin walls under the proud title "Russian Unity." The factions "Communists of Russia" and "Fatherland," the "Agrarian," and "Russian" unions, and "Rossiya" joined it. On 5 April, the question of "Workers' Union" and "Smena" joining the bloc was still being debated. A coordination council and two coordinators were elected. Vladimir Isakov from the left opposition and Mikhail Astafyev from the right opposition.

A conference of right and left factions adopted, among other documents, a draft congress resolution consisting of five points: the repeal of the president's emergency powers; the impermissibility of combining the posts of president and head of government; an instruction to the president to put forward a candidate for head of government at the congress; the ratification by the Supreme Soviet of the composition of the government; a legislative ban on creating new posts, organs, and institutions of administration not envisaged in existing laws and the Constitution, and the repeal of those already introduced (the presidential advisers in particular).

The bloc's leaders are counting on having 55-60 percent of the votes on many questions at the congress with the support of "Smena" and the "Workers' Union": 400-500 of "their own" deputies plus a known number of votes from nonfaction parliamentarians. And in their opinion a simple majority is quite sufficient to adopt such a resolution.

To all appearances, "Russian Unity" intends to occupy an extremely restrained position. For instance, the "radical" Aman Tuleyev, who originally intended to deliver the bloc's co-report on one of the questions, abandoned this idea at the last minute, claiming that he is afraid of greatly damaging the opposition by his excessive emotion.

'Demonstrative Confrontation' With Yeltsin Seen

MK0704120192 Moscow NEZAVISIMAYA GAZETA in Russian 7 Apr 92 p 1

[Sergey Parkhomenko report under "Kremlin" rubric: "Russian Congress in Demonstrative Confrontation With President. Yeltsin Himself Will Have To Account for Government's Activity"]

[Text] The day of procedural matters with which every congress of Russian people's deputies traditionally and inevitably starts is usually assessed by the press center—united by the rich experience of many days of vigil at the Kremlin—as a time of "general verification" and an "inspection of forces." During the discussion of the agenda there are always several instances when a vote on a seemingly specific question takes on the significance of an evaluation and provides an opportunity to make an overall assessment of how firm the position of the president and the government is, to see the real balance between the opposing blocs, and glance over the "shifting ground" (which as always will ultimately have to determine the outcome of the battle). For it is then that the forecasts constructed on the basis of indirect information stop being forecasts and start being statements, since they are verified by simple arithmetic.

This time, a group of analysts who are on their Sixth Congress in a row have made an assessment that is very unconsoling for supporters of Boris Yeltsin's administration: Only a very small group—between 115 and 150 deputies—of those who resolutely support the president's political line and are prepared to defend the present composition of the Russian Government has emerged in the first few ballots. Another 200-plus parliamentarians are gravitating toward this core of "hard-line Yeltsinites," but it is best not to count on their support at the decisive moment. The rest (a total of 902 deputies registered on the morning of 6 April) are more or less critically inclined and more or less resolutely so.

The ratio was displayed most clearly when Boris Yeltsin asked the congress to examine his decision that he should be the one to give a report on the progress of economic reform in the republic. Answering questions from journalists in the congress lobbies, even Ruslan Khasbulatov noted that "there was a certain logic" in the president's proposal (to give a final report on the whole complex of pressing economic and political problems, and to propose that Gaydar give an account for the government's activity). And after all, only a few days before at the Supreme Soviet chairman's meeting with a group of the chief editors of Moscow newspapers, Khasbulatov was adamant: "Only the president should do it."

The deputies, however, stood their ground—Yeltsin's proposal only received 322 votes (558 against). And obviously the point here is by no means that they want to obtain information about the government's activity from its formal leader, and not from the actual prime minister, Yegor Gaydar. It is rather that the parliamenarians simply could not resist the satisfaction of showing the president that he "holds no sway over them."

Looking at it seriously, this is now a question of a full report by the government—which should logically lead to a vote of confidence in it. After all, two questions proved to be united in one block as a result of the ratification of the agenda: one on the economic reform and one "on the implementation of decisions adopted by congresses of people's deputies." That is, on the emergency powers which the president possesses in accordance with the previous forum's decision, and on whose basis he has formed this government at his own discretion.

Composition of Congress Deputies Given

LD0804085692 Moscow POSTFACTUM in English 2033 GMT 7 Apr 92

[From the "Politics" section]

[Text] Moscow—As of April 7, the deputy corp is divided into 13 factions covering around 80 per cent of the RF [Russian Federation] people's deputies congress. The largest of the factions Agrarian Alliance numbers 121 deputies. Next come Demrossiya (Democratic Russia) and Industrial Union—72 deputies each, then come United Republican Faction—Social Democrats left of center, numbering 68 deputies, Free Russia—66 deputies, Russia's Communists—59 deputies, Sovereignty and Equality—55 deputies, Russia 54 deputies, Home Country 54 deputies, New Generation—New Policy - 52 deputies, Radical Democrats - 47 deputies, non-party deputies - 43 deputies, Russian Workers Alliance—41 deputies. The situation is different in the Supreme Soviet of Russia, with Sovereignty and Equality being second to none in numerical strength (29 deputies). Next come Russia (19), New Generation—New Policy (18), Russian Communists (16), United Social Democratic Faction—left of center republicans (16), Agrarian Alliance (16), Democratic Russia (13), Free Russia (11), non-party deputies (11), Home Country (9), Russian Workers Alliance (9), Industrial Union (7), Radical Democrats (7).

Reform Coalition Against Resignation

LD0904090492 Moscow POSTFACTUM in English 0935 GMT 8 Apr 92

[From the "Politics" section]

[Text] Moscow—On April 7 a meeting of the Reform Coalition members at the 6th RF [Russian Federation] people's deputies congress decided to set up a script group to develop the coalition program.

The script group is headed by Leonid Volkov, a RF people's deputy. The group has been charged, besides the development of the program, with developing the reform coalition conduct options at the congress, depending on the situation. The main stands, uniting the coalition at the meeting, were voting against the resignation of the administration (in case the issue of the vote of non-confidence will arise) and against depriving RF President Boris Yeltsin of additional powers. The RF people's deputy, Russia ambassador to the USA Vladimir Lukin, who has taken part in the meeting, stated that they must determine their stand on the prime-minister issue too. Lukin himself was in favour of appointing a prime-minister, accounting for it by the necessity of shielding the president from the blows. Most of those present at the meeting of people's deputies did not agree with Lukin, pointing out that the right to head the government has been given to the president with additional powers.

The expert of the information and analytical group of RF Supreme Soviet Presidium Aleksandr Sobyanin suggested that the Reform Coalition should set up an early warning system. The system is a five-principle one: every member of the coalition (besides the lowest level) must warn four lower deputies. The warning system is to be headed by Vyacheslav Volkov, the Demrossiya faction whip, who warns five RF people's deputies: Vladimir Varov, Georgiy Zadonskiy, Bela Denisenko, Vitaliy Mashkov, Nikolay Podoprigora. Each of them is responsible of a certain region: Northwest (Varov) the Urals and Volga Basin (Mashkov) Siberia and the Far East (Denisenko) ethnic formation (Podoprigora) central region (Zadonskiy). According to Aleksandr Sobyanin, such a system would considerably strengthen the reform coalition. The faction whips supported the early warning system at the meeting of RF people's deputies—coalition members, but certain people's deputies protested against guerilla games.

PRAVDA Gives Instructions to Deputies

PM090410189? Moscow PRAVDA in Russian 7 Apr 92 p 1

[Unattributed roundup of readers' letters under the general heading "Russia Is Great, But Has Nowhere To Retreat To": "Readers' Instructions to the Congress"]

[Text] PRAVDA has been silent for 23 days. It was not only the journalists who were deprived of a voice—our readers were unable to express their opinions either. On the basis of their letters and telegrams to the editorial office we are today publishing a message from readers to set the Congress of Russian People's Deputies on its way.

The soviets—those organs of democracy—must live!

The people's soviet, which was born long before the October Revolution out of the creative work of the toiling masses, which goes back to Rus's traditional council [veche], and has absorbed the peasant commune's heritage, should remain the main mouthpiece of public opinion and its legislator. The governors general and governors, the prefects and subprefects should not trample underfoot the authorities which the people have lawfully elected. Deputies, when you take the draft Russian Federation Constitution in your hands, you should remember and know: The soviets and only the soviets should be the basis of our state and social system. Remember: You received a mandate from the people during the elections to the soviets.

All power to the soviets!

We are for social protection for all working people and honest entrepreneurs—for all those who create prosperity for the people with their hands and minds!

We are for economic reforms which would not condemn the majority of the people to impoverishment and would not lower their dignity as workers. We are for the honest competition of various forms of ownership. A person must feed and clothe himself and his family on his earnings. The present government's reforms have reduced the people to a distressed and doomed state, to a loss of belief in their future. Deputies, you should find an alternative to Western economic models, into which the country is being driven by the whip of the market, without account being taken of its social and national peculiarities.

We are against speculating with public property and against corruption, which has succeeded in penetrating the higher echelons of power!

People who just a year ago were fighting to abolish each and every one of the partyocrats' privileges, have today acquired stylish dachas and taken over armored private cars. It is hard to see into the frightful communal apartments, decrepit hospitals, empty pharmacies, and ruined kindergartens through their darkened windows.

We are for the dignity of the foreign policy of Russia—this great and proud country!

Those who today are going cap in hand in the West, who are prepared to give away everything for a patronizing pat on the shoulder from foreign politicians and bankers, should remember: The people will sooner or later hold them responsible for betraying national interests.

We are for the unity of the country's peoples, for equal rights for all people wherever they live!

This country, broken up at the whim of dim-witted politicians, is today living through dark and difficult times. But you, the legally elected representatives of Russia, do not even in these circumstances have the right to turn your back on those who due to the malign wishes of nationalists have become pariahs, immigrants, refugees, second-class citizens only because they speak Russian and do not intend giving up their Russian citizenship. From time immemorial people in Rus have tried not to offend non-Russians, but they also stood up for

their own people. Deputies, remember: Your fellow citizens' fates, their futures and rights are on your conscience!

We are for the honor and dignity of the Russian [rossiyskiy] soldier, seaman, and officer!

Today the defenders and protectors of Russia's borders find themselves in a situation where they are without rights and are treated as pawns in someone else's political chess game. The conscious and unconscious wreckers of the Army are making an attempt upon the Russian state's security, on its future, and on the territorial integrity of its lands, which our forefathers secured and which were drenched in their blood and sweat. People's deputies, if you defend the Army today, it will defend you tomorrow!

People's deputy! Remember: Your vote should be that of the people at this Russian Congress which may decide the fate of the state.

Comparison of Yeltsin's Economic Report

CM1008041292

Moscow ROSSIYSKAYA GAZETA in Russian on 8 April 1992 in its Single Edition on pages 1, 3, and 4 carries Russian President Yeltsin's report, delivered 7 April, to the Sixth Congress of Russian Federation People's Deputies. Comparison of the ROSSIYSKAYA GAZETA item, entitled "Report By Russian Federation President B.N. Yeltsin," with the translation of the Moscow Russian TV version published in the 8 April Central Eurasia DAILY REPORT, pages 21 to 29, reveals the following variations:

Page 23, column one, penultimate paragraph, last sentence to colum one first paragraph, first sentence reads: The main thing is that we succeeded in launching an economic mechanism, which has become rusty from the lack of use, based on monetary circulation. (deleting passage)

Page 23, column two, fourth paragraph, last sentence reads: This was essential first and foremost in order to save the ruble, and to a certain extent this task is being carried out. (deleting "albeit with difficulty")

Page 23, column two, penultimate paragraph, last sentence reads: The situation with imports has improved, the fall in imports has been halted, and an increase in the supply of goods to the Russian Federation has taken shape.

First and foremost, it is essential to restore the confidence of enterprises in a national system servicing international accounts. (deleting sentence)

Page 24, column one, second paragraph, last sentence, reads: Our economy has been and remains an expenditure-led [zatratnyy] economy with abnormal interests, and economy from which owners have been excluded.

Take more—that is its main grasping law.

Making use of the freedoms granted it, the expenditure-led economy immediately revealed its essence.

Instead of using market demand to support their prices, enterprises have started including plausible and implausible [myslimyy i nemyslimyy] costs in their prices and making profits that would be excessive even for a very good life.

A direct link between income and the production sphere has not yet been established in our economy. (rewording, adding vernacular, supplying additional passage)

Page 24, column one, last paragraph, last sentence, reads: There must be tax benefits for those who are actively investing and building up the volume of trade in kind. We will grant any benefits according to a single set of criteria, common to everyone. One of the most important criteria is the fulfillment of contract commitments and the restoration of the vitally important economic ties which are needed to overcome the slump in production.

On other areas of adjustment to the reform program. The crisis of enterprises' ability to pay has taken on an extremely acute form. (adding passage and rewording)

Page 25, column one, fourth paragraph, sentence three, reads: This will permit a new and important sector in our economy to be created, a small-scale economy. Millions of... (deleting "subsidiary, private")

Page 25, column one, penultimate paragraph, last sentence, reads: ...adjusting and clarifying them.

In this connection... (adding "them", deleting passage)

Page 25, column two, paragraph two, first sentence, reads: ...repaid with incoming resources. A decision has... (replacing "resources" with "stocks")

Page 26, column one, first partial paragraph, sentence five, reads: ...people of Russia [rossiyan] in the eyes... (supplying vernacular)

Page 28, column two, first partial paragraph, penultimate sentence, reads: February, calculations of the minimum pension required [prozhitochnyy minimum pensioners] show this was... (adding "of the minimum pension required [prozhitochnyy minimum pensioners]")

Same paragraph last sentence, reads: ...by the parliament. This proposal has not yet been examined by the Supreme Soviet. (adding sentence)

Page 28, column two, third full paragraph, second sentence, reads: ...establishments and their scientific structures and enterprises,... (providing indistinct word)

Page 27, column one, second full paragraph, last sentence, reads: ...and a State Migration Service should be... (substituting "Migration" for "immigration")

Page 27, column two, first paragraph, sentence five, reads: ...of parity and reciprocity in strict accordance... (adding "reciprocity")

Page 28, column one, fifth paragraph, last sentence, reads: ...states, which guarantees the Russian Federation's full-fledged and harmonious inclusion in the community of civilized countries.

Today the Congress of People's Deputies can be informed of the initial steps.

First, understanding and support.. (rewoding and adding "First")

Page 28, column one, sixth paragraph, second sentence, reads: ...world's leading states. Second, virtually universal international recognition has been secured for Russia as the... (rewording and "Second")

Page 28, column one, seventh paragraph, first sentence, reads: Third, Russia's bilateral relations... (deleting "[as heard]" notation)

Page 28, column two, first full paragraph, first sentence reads: favor of democracy.

This concept is based on the idea that natural and clearly defined national interests are the foundation of our foreign policy today. These interests require the safeguarding of the security, sovereignty, and territorial integrity of the Russian federal state, the creation of a dynamic economy and lasting democratic institutions, and the protection of the rights and dignity of Russians [rossiyan].

We are parting... (adding paragraph)

Page 28, column two, first full paragraph, second sentence, reads: ...to which the genuine interests of the... (adding "genuine")

Page 28, column two, first full paragraph, third sentence, reads: ...as an important positive factor in international affairs... (adding "positive")

Page 28, column two, second paragraph, second sentence, reads: ...radical change in the military-political situation. We can see... (subbing "the military-political situation" for "military policy")

Page 28, column two, third paragraph, only sentence, reads: ...Agency supervision of states' peaceful nuclear activities.

With the aim of preventing the departure of... (adding "states"", rewording, and deleting paragraph)

Comparison of Yeltsin Question-Answer Session

CM1004135892

Moscow ROSSIYSKAYA GAZETA in Russian on 9 April 1992 carries in its single edition on page 4, as part of the stenographic record of the proceedings of the Sixth Congress of People's Deputies of the Russian Federation, a transcript of the deputies' question and answer session with Russian President Boris Yeltsin at the 7 April session of the Congress, published in the 8 April supplement on pages 30-33 and entitled "Yeltsin Fields Deputies' Questions". Comparison of the ROSSIYSKAYA GAZETA item with the translation of the Moscow Russian Television version reveals the following variations:

Page 30, column two, first paragraph, first sentence identifies the questioner as I.M. Bratishchev of Oktyabrskiy territorial electoral district, Rostov Oblast;

Page 30, column two, third paragraph through page 31, column one, third paragraph, is omitted.

Page 33, second column, first paragraph, second sentence, reads: ...of people in Moscow Soviet were raising... (subbing "Moscow" for "Pskov")

Page 33, second column, third paragraph, third sentence, reads: ...we took over Vneshekonombank from the Union///subbing "Vneshekonombank" for "Veshtorgbank")

8 April

Congress Proceedings for 8 Apr Reported

LD0804073792

[Editorial Report] Moscow Radio Rossii Network in Russian at 0600 GMT carries a brief news bulletin. At 0605 GMT, it begins a direct link up with the proceedings of the Sixth Congress of People's Deputies of the Russian Federation from the Grand Krmelin Palace in Moscow.

There is no relay on either Moscow Russian Television Network in Russian or Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian.

Ruslan Khasbulatov, speaker of the parliament, is at the chair, and the registration of the Congress shows that the session has a quorum, with 845 deputies present. President Boris Yeltsin and Ruslan Khasbulatov, chairman of the Supreme Soviet, are both present, although both leave to attend the Constitutional Commission, which will be meeting separately.

At 0605 GMT, following registration, various deputies raise various questions connected to the agenda. The agenda is put to the vote and adopted—each speaker is to have 10 minutes. Khasbulatov asks for time today for the Constitutional Commission to meet. As Khasbulatov will be attending the meeting of the Commission, today's session will be chaired by Sergey Filatov, first deputy chairman of the Supreme Soviet.

At 0618 GMT, Filatov begins by explaining to deputies that 338 deputies have asked to speak in the debate on the report on social and economic reform, and the procedures for the debate.

Deputy Vorontsov takes the floor to speak, but deputies ask that Yeltsin and Khasbulatov, who have left to work with the Constitutional Commission, return to the hall. Yeltsin and Khasbulatov and the whole of the Constitutional Commission return to the hall.

Under discussion is the progress of socioeconomic reform in the Russian Federation.

Deputy Valeriy Vorontsov, who had previously been adviser on social policy to the former Russian prime minister, Silayev, says: "If the government could honestly and clearly answer just one question—to what extent do the results of the first stage coincide with its forecasts, then whatever the reply—I stress, whatever the reply—such a government ought to resign. Because if what is currently taking place in Russia was forecast by the government, then it has simply deceived deputies and the people, since something totally different was promised. If a lot of this has been unexpected for the government, then can we entrust the management of the country to such a government?"

He goes on to ask: "Boris Nikolayevich, do you really not understand, and see, that those people in your entourage who, to put it mildly, don't enjoy the trust of the people of Russia, are also undermining trust in you personally, and therefore hindering the implementation of the reforms conceived and begun by you? In June last year, Boris Nikolayevich, the voters entrusted the fate of Russia to you, and you are now reentrusting it to those whom the people don't believe. I think that's wrong. If you really want to bring the economic reform to victory, then make corrections, immediately, to the style of work and to the membership of the government."

The next speaker, who is not identified, says: "We ought to remember the advice of Prince Golitsyn, given in 1903: Our weakness lies in the fact that we don't believe in ourselves. We read foreign books, we listen to foreigners, and instead of criticizing we step aside before them in veneration. Does a foreigner really want our industry to develop? Or that we should be his competitors at world level? Never! But unfortunately, in many respects the government's policies are being pursued with such an orientation, an orientation toward foreign capital." He continues: "Each of us went to the polls with our programs, but I am firmly convinced that not one of us promised such a sharp drop in the living standards of the people of Russia, or the replacement of the constitutional system. So who gave the right, under the roof of the supreme legislative body, to pursue a policy that is so ruinous for the people? How long will all this continue?" He further states: "The government should be headed by an experienced prime minister. I think that given the will, such a person can be found in Russia. If this isn't done, then the government will destroy itself and destroy Russia by its actions."

At 0640 GMT, the next speaker takes the floor—his name is not given. He dwells on the difficult position of different sections of the population during the reforms, and casts doubt on the orientation toward foreign assistance and foreign capital. Gaydar in particular is subjected to criticism, and he calls for more practical, experienced people in the government.

At 0650 GMT, Deputy Chubays, who heads the state property committee, takes the floor, and speaks of the progress of the privatization of state property and the need to continue the process. As he cites the recent development of privatization in Nizhniy Novgorod and the state revenues that have accrued as a result of privatization, the assembly murmurs. "We have made the first real step," he says.

At 0657 GMT, Deputy Eduard Ostapenko, representing the "Workers' Union" faction, says: "Having heard the government's report, we have reached the conclusion that the absence of analysis and forecasts has led to catastrophic consequences during the first months of pursuing economic reforms." He goes on to say: "On what is our faith in the correctness of Gaydar's ideology for pursuing reform based? Has he had new ideas or great experience in implementing such reforms? Is Gaydar pursuing reforms according to the recipes and under the control of the IMF? Then three questions immediately arise. It has to be said honestly that these are reforms according to the IMF's recipes. Why then defend the government while attacking the government of the IMF. We should have in the government experts from the IMF and not their inexperienced pupils.

"Second: On what is our faith in the competence of this fund based? On the reform in Yugoslavia, which has come right up against schism and bloodshed? Or on the reforms in Brazil, which has sunk into debt and frightened the whole world by saying that it won't pay?

"And third: The recipes of the IMF are recipes for raising the effectiveness of economic reforms, but we don't yet have that; we've only just begun them. Our problem is different—how to switch to reform. When we make the switch, then let's use these recipes."

At 0708 GMT, Deputy Veniamin Duyev, representing the "Industrial Union" faction, says: "Probably everyone understands today that it's difficult to count on rapid changes, we need time for economic reform to get fully under way and for the changes to become irreversible. But even the naked eye can see now that we won't get by without quite substantial corrections to the government's economic policy program. Neither the report by President of the Russian Federation Boris Nikolayevich Yeltsin, nor the address by Vice Prime Minister Comrade Gaydar supplied answers to these most important questions." He continues: "We propose returning to the procedure of confirming candidates to key posts in the government of the Russian Federation by the Supreme Soviet, thereby sharing responsibility for implementing reform with the government. We consider it essential for the president to present to the Sixth Congress of People's Deputies a candidate for the post of

prime minister, or chairman of a cabinet of ministers, with confirmation at the Sixth Congress of People's Deputies."

At 0720 GMT, session chairman Filatov hands the floor to Deuty Sergey Polozkov, who speaks for the "New Policy" faction. Polozkov says: "Almost six months have passed since the Fifth Congress, and our young government is of the same age. It is time to sum up a few results. Has life for our people become better over this time? The answer is a clear no. Could it have improved? The answer is also a clear no; it could not have done. Any reform is fraught with a worsening of the people's lives. But could the reform have been less painful? Yes, definitely. They promised social protection of a targeted preemptive nature, but the promise was not fulfilled. The government will not be forgiven for this." Polozkov then cites the plight of teachers and cultural and medical workers as evidence of this failure.

He continues: "The people can be patient, if this drastic impoverishment is followed by improvement. But it is precisely this that gives rise to the greatest doubts. The recession in production is continuing, and moreover, it is continuing first and foremost in sectors connected with consumer goods and food production, so at the moment there is no question of any structural perestroyka. The recession could have catastrophic consequences. Blast furnaces are already shutting down, cattle are being slaughtered, and all this is the consequence of the undoubtedly necessary—I repeat, undoubtedly necessary—strict credit and tax policy preached by the government. But it is over-strict, and it looks as if the government has chosen this path and wants to carry out the recommendations of the IMF at any price. But we are not Peru or Paraguay. For us, entry into a market at the cost of the ruin of industry and culture, of the system of education, at the cost of loss of the country's independence and its being turned into a raw-materials appendage of the West, is unacceptable. We have to bear in mind that the market is just a means, not an end. In implementing such a policy, everything must be painstakingly assessed. The freeing of prices for fuels could, according to preliminary figures from experts, lead to the ruin of 50 percent of our industry." Polozkov gives some examples concerning fuel prices, and goes on to say that dependence on liberal methods of regulating the economy alone is dangerous.

He goes on to say: "I would now like to move on to the part of criticism of the government that, in my view, should be most substantial, that is, to the actual executive activities of the government as an organ of power. It looks as if the only thing that the government is seriously trying to engage in, and so far unsuccessfully, is an attempt to stabilize the monetary unit. In everything else one sees chaos and confusion, and such chaos and confusion as there has never been before. In essence, we have three governments: the president's advisers; the president's apparatus; and the government itself. Now, as you know, some sort of coordinating council is being formed. There are constant reorganizations. Ministries and departments are springing up, they are sprouting like mushrooms, with enormous establishments and payrolls, with masses of consultancy firms sitting on the budget and with completely incomprehensible powers. According to our figures, although it is difficult for us to judge, despite the fact that I am a member of the Supreme Soviet, the Supreme Soviet cannot say exactly how many ministries and departments there now are. And so, there are now 18 more than there were in the Union government that administered the whole economy by command-administrative methods.

"This is no good, and things cannot go on like this, there are no two ways about it. The instructions of Gaydar, Burbulis, and Shokhin go out to the regions, and often contradict one another. Decrees contradict the legislation and disorganize local authority. Many issues, including social protection, are passed on to local authorities without any financial support. And local authorities are treated like absolute dirt." He then gives an example where the Moscow authorities were blamed for price rises dictated by the center.

He continues: "In our view all this became possible in connection with the fact that the Fifth Congress of People's Deputies adopted ruinous decisions that disrupted the normal procedures of the relationship between parliament and the president. The government structure and the key posts in it should be agreed upon with the Supreme Soviet. We have a vital need for a law on the government and on the presidential apparatus such as would clearly prescribe the rights and duties of ministries and departments, and which would clearly prescribe who appoints these leaders, how and when, and what accountability they have for their actions. All laws must be confirmed by legislative power bodies. These are axioms. The last time in the 20th Century that resolutions similar to those adopted at the Fifth Congress on legal provision for the economic reform were passed was in Italy, in 1926, when Mussolini came to power.

"I don't think we should be satisifed with such examples." The deputies applaud. He goes on to say: "It is time to restore a normal, civilized relationship between the government and the parliament. This would be to the good both of the government and of the parliament.

"On the basis of everything I have set out, one can only conclude that we have to give the government a failing grade, but give it a second year. And like anyone having to repeat a year, we should give it a coach; this coach should be a new prime minister.

He says: "Esteemed Boris Nikolayevich. We plead with you to leave the post of prime minister. You have enough to do already, with foreign policy, defense, and other issues. And the prime minister should be someone with solid experience. We need integrated reform. I have the greatest respect for Gaydar, Nechayev, Shokhin, and other Cabinet members, but even so I can say for sure that those who have never been in charge of more people than you find in a laboratory, or have never seen life

outside a university department cannot direct the government. We need a regular prime minister who would unite all of us and yourself, and then we would proceed calmly further along the road of reform. Thank you." The deputies applaud.

At 0728 GMT, Industry Minister Titkin takes the floor. He says that his ministry has come in for much criticism, and there is much that can be improved. He claims, however, that criticism on the grounds that the ministry is too big is unfounded, as its 3,000 staff do work that was previously done by 30,000. He says that Russia needs a unified center to direct industry; this is something other successful countries have. He goes on to point out that his ministry cooperates with with ministries in other former Soviet republics and with international organizations. Ending his address, he says that the government team must be kept together so as to carry through the reforms.

At 0735 GMT, Deputy Gennadiy Timofeyevich Bedyayev speaks for the "Agrarian Union" faction: He begins: "Esteemed people's deputies! Esteemed chairman! I am grateful to the congress for the opportunity to bring the voice of Russia's rural folk to such a lofty forum at such a difficult time, a time of reforms, a time of accelerated entry of society into market relations. How is the countryside living today, and on what? In our view, it is in a state of bewilderment and stupefaction, and there are serious reasons for this. The burdens of reforms are chacteristic for all sectors of our economy. However, for the countryside, this is a real disaster; it means tyranny.

"The economic reforms being conducted by today's government, while on the whole undoubtedly a necessity, have gone over the fragile rural economy like a steamroller; they have crushed and trampled all the initiatives and efforts of rural folk on the road to a better life. We reckon that what we have here is the economic suffocation of the countryside. If only it were just the collective and state farms, but I am saying that it is the whole countryside. The past three months have been enough to make the majority of agricultural producers insolvent. The ever-increasing disparity in prices for agricultural produce and the consequent inability to get hold of the most necessary means of production to do spring field work—mineral fertilizers and fuels and lubricants—the reduction or virtual winding up of budget support for the countryside, and the acute shortage of credit resources that we need right now have brought rural folk to the need to ask: Do they have any chance of surviving on the road of today's reforms?

"This question may seem strange, taking into account that less than 18 months have passed since an overwhelming majority of people's deputies in this very hall gave the countryside hope in the form of the program for revival of the Russian countryside. It seemed to be in earnest and for the long-term. This ray of hope reached the most far-flung and neglected villages of Russia. But, regrettably, it did not last long. As early as the middle of last year, dissatisfaction and disappointment began to spread among rural folk in connection with the government's retreat from fulfillment of a number of decisions of the Second, Extraordinary, Congress of People's Deputies of Russia. What we can see now is the ignoring of the decisions of the Second Congress. Why is this so? Perhaps these decisions were wrong? Or perhaps we exaggerated the importance of agriculture? In that case, this should have been stated plainly.

"However, the government has no programs of its own concerning agriculture, and the report by Agriculture Minister Khlystun is clear confirmation of this. Everything is being done in ad hoc fashion, without the proper calculations and forecasts. Tell me, how can you, as Vice Prime Minister Gaydar does, declare that the appearance of meat in the shops is connected with the fact that the market has got going, although the explanation is there to see—cattle are being slaughtered on a mass scale, including cows for calving. And not only because of feed shortages, but also for economic reasons. It is not profitable to produce from animal husbandry. Perhaps they don't need to produce so much as they do? This should also have been stated plainly, although the inclusion of the agrarian issue on the agenda of this congress hardly makes one think it is so. The results of such approaches and sentiments can be predicted. The collapse of the countryside, if serious steps are not taken, is something that will come in the very near future, and this will entail disruptions and collapse of other allied industries, first and foremost, agricultural machine-building and the rural construction industry."

Bedyayev then describes the unfair picture people have of rural folk as dependents, saying that they do not get a fair price for their produce. Far from all the money that townsfolk pay for produce is received by producers, he points out. He points out that in some areas agricultural producers are beginning to refuse to deliver produce to industrial centers rather than work at a loss. The government has managed to sour working relationships across the board, Bedyayev contends.

He continues: "In view of what I have set forth, we agrarian deputies express our resolute disagreement with the form and content of the current reforms being conducted by the president of Russia and the Russian Government. We find its work unsatisfactory. We declare that we have no confidence in this government, and demand its resignation." The deputies applaud.

He ends his speech by saying: "We consider that the countryside cannot be a part of market relations without serious state regulation. Agricultural producers, regardless of the form of ownership, could have a lower price threshold that does not allow the efforts of producers who work well to be unprofitable. We consider fulfillment of decisions of the Second, Extraordinary Congress of People's Deputies of Russia to be obligatory, including those providing for allocation of 15 percent of national income to the social revival of the Russian countryside. We believe it is a necessity to examine the

possibility of granting extra credit resources immediately for spring field work. Today it is still possible to preserve the countryside; tomorrow may be too late. Thank you." The deputies applaud.

At 0744 GMT, Deputy Sokolov speaks for the "Russia" faction. He complains about a decline in people's living standards, blaming market reforms. He says that most poeple agree that radical reforms are needed, and goes on to list areas recognized as being in need of reforms. He says that he was going to argue the case against price liberalization, but finds it unnecessary as Yeltsin's and Gaydar's reports made his case for him. He goes on to question the government team's capabilities, pointing in particular to its forecasts for a deficit-free budget, which he says were well off target.

At 0755 GMT, First Deputy Chairman Sergey Filatov calls a break until 1230 Moscow Time, 0830 GMT. The relay ends at 0756 GMT.

At 0833 GMT, Moscow Radio Rossii Network in Russian resumes its live relay of the proceedings of the Sixth Congress of People's Deputies of the Russian Federation from the Grand Kremlin Palace in Moscow. Reception is good. At 0833 GMT, First Deputy Chairman Sergey Filatov asks deputies to register. There is no quorum, so deputies are requested to reregister. Radio Rossii's commentator says that 338 deputies and four ministers have registered to speak, and that nine have done so. At present, 780 deputies have registered.

At 0837 GMT, Deputy Vitaliy Vitebskiy, speaking for the Free Russia faction, takes the floor to say that his faction adheres to its original view of the government's economic reform policy, namely that the policy of financial stabilization should be complemented by an industrial policy. The industrial policy being pursued is fraught with the perils of environmental pollution and bankruptcy of the military conversion industries, although the government's measures in March began some degree of state regulation.

He welcomes the government and Central Bank joint resolution on measures to normalize payments in the national economy, although this has not yet been publicized. He calls for further government action: confirmation of priorities in state structural policy to include utilization of weapons, military technology, and the environmental aspects of use of nuclear submarines; a state program of energy conservation; change in taxation policy; organization of the executive power to elimination doubling-up of responsibilities, and legislative ratification of the government structure by the Supreme Soviet.

Vitebskiy says the issues of conversion and ownership of military property are typical examples of the confusion over responsibilities and powers; the functions, powers, and property of state industrial enterprises must be delimited in legislation; and there is an urgent need for the government's military and foreign policy to be clarified, which is having further political and economic consequences. The Free Russia faction, he continues, supports the strategic course of reform, but affirms the need for amendments.

At 0844 GMT, Filatov says: "The floor is given to Tuleyev, Aman-geldy Moldagazyyevich, People's Deputy from the 46th National Territorial Okrug, from the Fatherland faction."

At 0845 GMT, Tuleyev begins speaking: "Esteemed colleagues, esteemed presidium, I believe the Yeltsin-Gaydar team's economic reform is being carried out in a purposeful and effective way—but effective for the 10 percent of the population of Russia which has grown fat on corruption, speculation, and the resale of the national wealth; for the IMF; and for the industrially developed countries which are taking advantage of the reigning anarchy, the climate where everything is permitted, and the extortionately-reduced rate of the ruble to buy up our raw materials for peanuts, thereby deepening the disruption of economic links and the slump in production in Russia. The weak are easier to keep in check: no one abroad wants a strong Russia.

"So what are our government's actions, dictated as they are by the IMF, leading to? In the first place, the economic policy currently being implemented is impairing the integrity of the regions. It is not the reds and the brown-shirts but this policy that is urging the regions on to isolation. And why? The liberalization of prices, in addition to the very harsh taxation policy, have led to a sharp reduction of the solvency of enterprises and the population. As a result of the slump in production, not enough is going into the exchequer, and the Russian budget revenue is being cut. And what does the centre do in this situation? The Russian budget deficit can be reduced only by flaying the regions and local budgets, resulting in increasing poverty in the regions as local authorities cannot provide welfare support.

"The regions, that is, have been abandoned to the mercy of fate, to get by as best they can. They have been excluded from the economic reform, and that is the government's main mistake so far." He goes on to say that these are the reasons for the calls for the formation of a Far East republic and a Siberian republic, but it should be economic independence, something the center is unwilling to concede.

Tulayev continues: "The integrity of Russia can in real terms be preserved only through a substantial expansion of the economic independence of the regions, with the existence of a politically-strong center. That is the only way. The policy currently being implemented by the government dooms the country to a long-drawn out crisis and stagnation because there are no funds for enterprises to develop.

"Boris Nikolayevich [Yeltsin], you say that by the end of the year everything will be all right. But everything has been thrown back 20 years!" Tulayev adds that machinery is becoming obsolete and output quality is

declining. "Believe me," Tulayev continues, "another year of this policy, and we'll be back to swinging from tree to tree!"

He goes on to sat that the Yeltsin government has imported a monetarist model of the market which does not fit Russian conditions, and the result is that 90 percent of the population lives at subsistence level, a national disaster. "Just listen to this, I beg you: the president keeps saying, Burbulis keeps saying, Gaydar keeps saying, there is no revolt, so everything is fine here, the reforms are going along, Tuleyev will calm down, and so on. But one can respond in various ways. For me, for instance, this sort of reaction, a revolt or a strike, is not the worst one. Far more terrible is the fact that people have stopped believing the president, the government, me, you! You understand, they believe no one! For them there is just hopelessness, debility, self-seeking, fear for the morrow, for their children, for their parents. The people are starting to drink, people are turning into a lumpenproletariat.

"So what is this reform for, what is its purpose if the quality of life has fallen to that of poorly-developed countries, and if vital necessities—vital necessities, I repeat—are unobtainable? Half the country will be standing in line in second-hand shops in order just to get by."

Tulayev goes on to note that the intelligentsia lives in poverty: there will be no future for Russia, then, and we have cut off the past, he says. "In many respects, the uncontrolled formation of the market has led to the government losing control over economic and social processes. Understanding this, Comrade Gaydar and Comrade Burbulis have started using economic levers as a means of political struggle." The miners received a threefold wage increase without any increase in output, Tuleyev says, and goes on to describe this as "a shameless bribe of explosive groups of the population" in order to buy them off. Burbulis found money for that, he claims.

"Boris Nikolayevich," Tuleyev goes on, "to judge from your report, you have become pretty far divorced from real life. There is no profound analysis. In my understanding of it, many things are either being interpreted to you wrongly, or you really do not want to understand. In my view, a popularly-elected president should act and carry out reforms in the interests of the people. But when he has brought 90 percent of the population to subsistence level, this is a program directed against the people. So what should we call you now? You have wholly substituted your election campaign manifesto: Just tell the Congress one single promise you have actually fulfilled since you have become president!" Tumultuous applause follows this statement, and Tulayev goes on to say: "I think you have deceived the citizens of the Russian Federation, and pretty seriously at that, and you should explain yourself to them. But you have indeed achieved your main objective, Boris Nikolayevich: Everything that can be destroyed you have indeed destroyed, there is nothing left to destroy!"

Tulayev goes on to say that the Supreme Soviet should now take courage, should relieve the president of his emergency powers, should elect the premier and a government of national confidence at the congress, and should insure that economic policies take account of the real situation. The government program should aim to strengthen the integrity of Russia, he says, to stabilize production and raise the standard of living for the population by means of decentralization of economic power.

Prompted by the chairman to finish, Tuleyev presses on, urging that western partners must take account of the Russian situation; it is not credits that are needed, but investment, he says to loud applause.

At 0858 GMT Filatov gives the floor to Grigoriy Yevgeniyevich Klochkov, chairman of the Federation of Independent Trade Unions, who says that trade unions approve of the aims of the reforms but not their current results. Trade unions are writing in to complain they have been deceived, agreements have not yet been made with trade unions on salaries and payments, he claims, adding that people are being impelled to strike by the broken promises and irresponsible policies implemented by the government. He enumerates some of the wide range of professions affected and adds that government obligations must be fulfilled, the people's welfare must be legislatively ensured. Correct procedure has been breached, he says. Is there any wonder people are indignant? Statistics prove that the impoverishment of the population is not a spontaneous effect but is a consequence of government policy.

Klochkov goes on to say that there must be no discrimination between state and other enterprises in terms of wages. International observers consider the IMF demands to be unrealistic and unwise in Russian conditions: they must be accepted only within the bounds of the possible, the domestic market must develop, Russian industry must be revived, no matter how necessary the foreign credits. Yeltsin's report contained a number of amendments to the government course, he says, including government changes which may help to restore people's confidence. The trade unions are against conflict, they want to be a consolidating force, Klochkov concludes.

At 0908 GMT Deputy Petr Sergeyevich Filippov, from the Radical Democrats faction, speaks of the devaluation of the ruble which is already worthless—no one wants it. But there is no alternative to the reforms if we are to develop the domestic market. He compares the privatization being implemented in Russia with that in the unified Germany, concluding that it must be made advantageous for the worker to be part of a privatized enterprise. Privatization must be used to stimulate, not stifle, entrepreneurship, he says. Investment competition should be instituted to encourage this, and the Supreme Soviet should draw up a program to insure this is implemented. Bureaucratic arbitrariness and inefficiency are rife in the privatization process, and citizens are reluctant to insist on their rights, he claims. There

should be a program to encourage the population out of its state of spiritual slavery, Filippov proposes, suggesting even a competition.

People's Deputy Ivan Alekseyevich Altukhov from the nonparty deputies' group, takes the floor to survey the scene of economic decline and collapse of the money system. Changes must be made in the taxation and wage policies to encourage production, he says, and goes on to give examples from specific enterprises to show how profitability is discouraged by the taxation system. The value added tax is too high, he says. Regulated market relations are advisable in the present state of affairs, when the vital agrarian system is in stagnation. Agrarian reform is giving rise to great concern. The 1992 draft budget does not provide a comprehensive solution to the difficulties of the agrarian sector, Altukhov states.

At 0930 GMT People's Deputy Pavel Alekseyevich Medvedev of the Democratic Russia faction takes the floor, stressing that the way to solve the economic crisis is to integrate the Russian economy as rapidly as possible with the world economy; this requires foreign investment and foreign companies in Russia itself. However, he says, potential investors are afraid of instability and demand some form of insurance. An international fund could be set up to insure private investment in Russia, funded by states and private companies and headed by a prestigious individual such as Margaret Thatcher.

Medvedev maintains that his proposals are not slavery for Russian workers but offer opportunity, with Russia offering its highly skilled labor forceas its chief resources. Russia's huge material resources are being wasted by negligence, he says. Demonopolization is vital, as are an acceleration of conversion and a crack-down on corruption. He admits the danger inherent in his proposals, but says that falsely-understood patriotism may leave Russians impoverished. Stability in Russia is beneficial for all. He proposes the text of a proposal for an international insurance fund, which he begs the Congress to adopt, to be submitted to the parliaments and governments of the industrially-developed countries. This approach is, Medvedev admits, somewhat unconventional, but he offers to address parliamentarians to explain his proposal in more detail, in the conviction that it will contribute to resolving the economic crisis.

Moscow Radio Rossii Network in Russian at 0938 GMT continues its relay of the Russian Congress of People's Deputies session in Moscow.

Deputy Vladimir Petrovich Lukin, Russian ambassador to the United States, from the Republican Party of the Russian-Social Democratic Party of Russia [RPR-SDPR] left-center faction speaks about the foreign dimension of Russian economic and political matters. Having recognized that although the most important aspect of the reforms is that Russia should gain, and that he does not think the international aspect the most important, Lukin stresses that after just one month in his new job in the United States, he is speaking simply as a people's deputy looking at events from within, not from without.

Lukin speaks of the need for Russia to be integrated in the world economic community and rejects the ideas of those who want to back off from the reforms because they hit hard. On the basis of 25 years involvement in international economic and political affairs, Lukin stresses that in the recent past no country has emerged from such serious difficulties without assistance from abroad, but adding that this assistance must be used effectively. He reminds the deputies that they should not behave on the rostrum at Congress in a way that would put off donors of foreign assistance, particularly as in America there is currently "the most serious and keen discussions, the sharpest struggle over whether to give this aid or not." There is recession and unemployment over there, too, he adds. He sums up:

"At the moment this tendency has been curbed, so we must not frighten off the goose that lays the golden eggs. We have to think of how to use it in our own interest, like a sensible country, not a foolish country.

"What else did I want to say? I think it is very important to bear in mind that the West will not help us if we start to swing to the authoritarian side. We must bear that very clearly and precisely in mind. We must understand most clearly that if we do not hold on to our democratic institutions and if we do not succeed in strengthening them and handing them on to our children, we will not get this aid, because we must enter the world community only as a part of it, as a democratic part of it. In this sense, I think that whoever we have at the helm in this country—reds or browns or tricolors, it is all the same—they must not think that once they are in the aid will increase. Aid to us will dry up straight away. I can tell you this precisely and I will answer for it."

Lukin goes on to stress that the West wants, above all to see democratic stability and to see a return from their aid to Russia: "So the existence of a strong president, the existence of a strong parliament, the existence of a strong constitutional court, and a normal solid division of powers among them is a cast-iron, I would say, precondition for us getting aid."

He reminds the deputies that the Bush aid package includes acquiring high technology from Russia, and warns against being naive and selling this cheaply. Profits can be plowed back in to stimulate high-tech industry in Russia.

Lukin defines the light at the end of the tunnel of hardship for the Russian population—despite the current tough monetary policy—as having a currency which the economy cannot exist without, and taking a look at the development of other countries which have emerged from similar crises, for instance postwar Japan and Indonesia, by building up one sector after another. Lukin agrees that present social policy is weak and reactive and advocates making it active. He calls upon everyone to compromise and work together.

At 0950 GMT Petr Pavlovich Rakov, representing territorial constituency 733 and speaking on behalf of the Ulyanovsk Oblast group, laments the way freeing prices was brought in before a correctly organized privatization had been put in place to give rise to home-grown entrepreneurs, and increase the volume of money in circulation and increase state revenues from taxation. He stresses that the government needs to invest in compensation for the price rises and in maintaining essentials like health care. He says that if health care cannot be funded the government should declare which services are no longer to be financed. He adds:

"The strategic course of the reforms must be supported, but the tactics have to be changed. The reform is to be carried out for the people, not the other way round."

Rakov says the government should see reforms in terms of how ordinary people are affected and highlights the problems of the countryside and agriculture. "In my view it is completely wrong that the deputies did not discuss the advisability of raising prices in advance," he says, going on to argue for the "classical tripartite" system of president, parliament, and government working together in a democratic state. He says energy prices should not be raised and that government efforts should go into reviving industry, stepping up privatization, and giving people equal startup opportunities.

Rakov calls for a radical reworking of the Yeltsin government to bring in practical, professional people. He concludes by saying:

"One last thing: the president should resign the post of chairman of the government. Thank you for your attention."

The session closes at 0958 GMT and the relay ends.

Following a four-minute news bulletin at 1200 GMT, Moscow Radio Rossii Network in Russian at 1204 GMT on 8 April resumes its live relay of the proceedings of the Sixth Congress of People's Deputies from the Grand Kremlin Palace in Moscow. The announcer says that registration has just taken place, and that there is a quorum. Sergey Filatov, first deputy chairman of the Supreme Soviet, is chairing the session.

Filatov begins by stating that debate in connection with a resolution on the progress of economic reform will continue shortly. There is a brief discussion on broadcasting; today's session is to be broadcast in full on television, rather late in the evening so as to avoid canceling coverage of a soccer match. At the end of the sitting, a resolution on the situation in Moldova will be debated. A deputy asks about the distribution of a list of members of the government, with a curriculum vitae for each. He is informed that deputies already have a list.

At 1209 GMT, debate on the economy resumes. Nikolay Travkin, chairman of the Democratic Party of Russia, is the first speaker. He asserts that he must be on the correct, middle-of-the-road track as he was scoffed at by extremists from both sides on entering the hall. Travkin accepts that it is not possible to return to the old system, and that reforms are necessary and should be speeded up. He questions the competence of those in the government who are guiding the reforms; the theorists should have people with practical experience alongside them. Travkin feels that Yeltsin should take more care over whom he appoints as regional administrators—not all those who declare themselves to be democrats are in fact democrats, he states. Agricultural policy needs adjustment. Travkin proposes that Gaydar should be retained as one deputy prime minister, with Shumeyko as a second deputy to give practical advice. He says it is important to keep the parliament and the government working closely together on reforms.

At 1222 GMT Deputy Mikhaylov, from Kalmykia, says he supports reform, but had not expected such woeful results. He declares that there are too many taxes, and they are too high. Even Genghis Khan only levied 12 percent on farmers, while Russian value added tax is is 28 percent. Reform should have been accompanied by more privatization and demonopolization. Farms are unable to work profitably because of high fuel prices. Mikhaylov recalls the history of the Kalmyk people, from Peter the Great's praise for their role as defenders, through Stalin's mass deportation, to the present day and rehabilitation. He asks why Kalmykia is not receiving financial assistance along with other regions mentioned in Khasbulativ's recent instructions on spending from the social fund.

At 1233 GMT Deputy Chelnokov from Moscow criticizes the way price liberalization was carried out, dwelling on the effects on people in Moscow. He notes that the numbers of private farmers have been dropping because of financial pressures. Chelnokov says that claims that financial stabilization is being achieved are false, and lists figures to back this statement. What we now have, he says, is "a new level of lying by the state".

Chelnokov speaks at length on the status of the Moscow mayor's office and the Moscow government, neither of which, he believes, is a legitimate body. He lists some moves by the Moscow government that he describes as dubious, claiming that it plans to lease Moscow parks to foreigners. Chelnokov calls for the resignation of the Moscow leadership; for the Supreme Soviet to debate the standing of the Moscow mayor's office; for Yeltsin's special powers to be withdrawn and a law on the government of the country to be passed; and for a vote of no confidence in the government to be held.

At 1248 GMT Deputy Shumeyko takes over the chair and invites Filatov to speak. Filatov speaks about the progress of reforms, the structure of the government, and the behavior of the media.

At 1300 GMT Deputy Shipovalova, from the Pechora region, states that people in her constituency are suffering because of high prices and taxes, noting that dedicated workers in teaching and medical services are

now on strike. She says that the policies being conducted are against the people. Shipovalova calls on Yeltsin to beware of having so many foreign consultants around him.

At 1305 GMT Nikolay Ryabov, first deputy chairman of the Russian Supreme Soviet, is called on to speak about a resolution on the situation in the Dniester region of Moldova. Ryabov, who visited the area together with a Supreme Soviet commission, explains the background. He says the intention is to ensure observance of human rights, to show respect for Moldova's sovereignty, and to promote a peaceful settlement. CIS troops are present in the region; they could act as observers or as a peace-keeping force. The Russian Federation should promote negotiations and make its decision about the status of the Dniester Republic, he states.

At 1312 GMT Deputy Konstantinov from St. Petersburg reads out a telegram from the Dniester Republic's president and others there, complaining that they are not being consulted in deciding their fate. Ryabov recalls the statement already made by the Supreme Soviet about the Dniester region.

At 1315 GMT deputies vote to accept the resolution in principle. Debate on the details of the preamble begins. Starovoytova suggests an amendment, which is rejected.

At 1330 GMT deputies vote to assign the drafting commission the task of taking further proposals for amendments to the draft. One amendment proposed by Konstantinov is passed.

At 1337 GMT deputies vote against cutting the relay short because of the sensitivity of the Dniester issue.

At 1339 GMT Shumeyko obtains the deputies' approval by a show of hands for the commission selected to investigate allegations published in DEN and RUSSKIYE VEDOMOSTI.

At 1340 GMT Shumeyko moves on to discussion of a proposal to uncover the statue of Lenin in the debating chamber. Filatov goes into historical and legal aspects of the decoration of the hall. Deputy (Surkov) complains that they should not be wasting time talking about details of interior decoration. Deputies vote not to discuss the matter.

At 1346 GMT Adrov speaks for the secretariat, reading out messages to the congress. One from Deputy Vorontsov says that he was suggesting changes to the government's style, not its resignation, in his speech this morning.

At 1354 GMT Shumeyko gives details of the drafting procedure for the resolution on the Dniester region. Deputies are to submit their suggestions by 1400 on 9 April, so that the resolution may be debated at the evening session.

At 1355 GMT, after a few more announcements by individuals, the relay fades. The announcer says that Moscow Radio Rossii Network in Russian will resume its relay of the congress proceedings at 0600 GMT on 9 April. The debate on economic reform will continue during the morning.

Filatov Addresses Congress

LD0804175792 Moscow Radio Rossii Network in Russian 1250 GMT 8 Apr 92

[Speech by Sergey Aleksandrovich Filatov, first deputy chairman of the Russian Supreme Soviet, at the Sixth Congress of People's Deputies of the Russian Federation in the Grand Kremlin Palace in Moscow—live]

[Text] Respected president, respected chairman, respected people's deputies:

At the beginning of this year the president and the Supreme Soviet took the difficult but nevertheless courageous step of economic reform. Although from a legal, organizational, and technical point of view the reform was insufficiently prepared, this step was, without a doubt, necessary. Scarcely anyone denied this at the time, because a firm understanding of the necessity for reform had matured in society. However, when society is embarking on a road beset by very difficult trials, it needs socio-political and national accord. One thing alone is not sufficient here, despite the fact that there is great confidence in the president, the government, and the Supreme Soviet.

I would like to dwell on the separate spheres in our actions which, unfortunately, have not only failed to promote accord in society, but instead have provoked a lack of confidence and alarm and have intensified the confrontation of the political forces. I remind you that it was the current body of deputies that created the three independent branches in the structure of state power as an indispensable condition for the construction of a law-based state. However, for a law-based state a high legal standard is required, as is unity in the legal field. The current economic reform particularly requires a unified legal basis—of the Constitution and laws, the president's decrees, the government's normative acts, and other levels of representative and executive power. Laws, decrees, departmental instructions are links in a single chain. If one of these falls out this will lead to chaos in the national economy and in the country's socio-political life.

Unfortunately, I am compelled to state that we in the Russian Federation do not have unity of legal policy or legislative or executive power. By virtue of the Constitution and of the law-based nature of society, the legislative assemblies of any country are obliged to play a leading and decisive role in the formation of the foundations of the law and in the creation of a united legal system and united legal policies. We are faced with a divergence in the points of departure between the legislative and executive authorities. The contradictions contained in the acts issued by the bodies of these authorities are causing concern. The number of amendments to

laws, made by acts by the executive authorities, on very important issues relating to areas of the parliament's competence, is growing.

Local authorities and local administrations are also permitting themselves to deviate completely from the norms established in the laws. All of this, I must say, is not aiding the success of the economic reform. It is introducing confusion into society and is engendering legal chaos.

However, today it is not so much only a matter of the legal basis upon which market relations in society will develop for many years ahead. First and foremost it is a matter of legal provision for the radical economic reform which it is planned to carry out within very tight time limits. Amended emergency economic legislation is being formulated at the moment. Extraordinary legal institutions of a temporary nature are being created.

At the present time the law is being subordinated to the aims of the economic reform. This, however, like any other reform, will be completed at some point. What will happen then? We are creating law for the reform and beneath the reform, whereas we should carry out the reform on the basis of the law, soundly established for a long time ahead. Unfortunately law-making at all levels does not today have sufficient strategic guidelines. State concepts are absent, not only on economic issues, but also on problems of the national state structure, on international, military, and strategic matters. This does not aid the consolidation of society either.

It is understandable that the events connected with the State Committee for the State of Emergency and the swift disintegration of the USSR which followed on from this have brought to light all of these problems for Russia. They need to be resolved without delay. Coming out in favor of a new constitution for the Russan Federation today, I am relying on a single but very powerful argument. People are tired of the thought that everything that the Russian authorities are doing with regard to many issues may turn out to be temporary. The people need guarantees, reinforced by a new constitution, that we will not turn off onto a new road. This also applies to the concepts on strategic matters.

Mutual relations between representative and executive powers cause particular worry. This is having a particularly negative effect on the psychological climate in society and does not promote trust in bodies of power. The way, however, the mass media present this to people leads one to believe that it is a deliberate campaign most probably inspired by government circles. Let us look at what is taking place in relations between the government and the Supreme Soviet. We are being accused of the Supreme Soviet's intention to deprive the president of the extraordinary powers which are so much needed for implementing the reforms successfully, and everything is being reduced to that alone. What are people's deputies worried about? First, in addition to the government, numerous other structures have been formed around the president. Each of them is laying claim to power and influence on the president and is trying to adopt its own decisions, which breeds irresponsibility on the part of junior leaders.

Second, in relation to the Supreme Soviet, the government itself is in isolation. Lacking the right of legislative initiative, it cannot submit a single proposal independently and is practically unable to implement many proposals by the Supreme Soviet. Relations of such a nature between a parliament and a government do not exist in any other country.

Third, a poll conducted among those people's deputies who work on a permanent basis showed quite a high level of dissatisfaction with the relations that had taken shape between them and bodies of executive power. Fifty-four percent of the deputies are not satisfied with the activity of the presidential administration and their mutual relations; 49 percent are dissatisfied with the government, and 64 percent with the vice president's apparatus. Many deputies believe that there are no mutual relations among our organs at all.

All the above, as well as the absence of a law on government, the indefinite nature of the functions of governmental and near-governmental structures and their officials increases the lack of accountability of the government's activity, confusion, and corruption. Trying to insure themselves in advance against being made accountable if the results of their activity prove negative, individual members of government are seeking the culprits outside the government, usually orienting public opinion against the Supreme Soviet and its leadership and against representative power as such. The Moscow mayor's office, created, incidentally, by our Supreme Soviet, is an example of that. As political strategy and tactics it is developing a secret general line aimed at removing the current congress and the Supreme Soviet. Or take yesterday's statement in Russian "Vesti" where 27 percent of people's deputies were accused of links with corrupt elements.

The state of society and the atmosphere in which reform is being implemented depend, to a great degree, on the mass media. We have different newspapers and radio and television programs which reflect the broad spectrum of political moods in society. Society's attitude to them is different, too. Reading our press and familiarizing oneself with radio and television programs, however, one cannot but ask the question: Should a free press be free of common sense? With great ease and sometimes even in farcical tones unverified, preliminary, and occasionally even deliberately mendacious information is being presented. It stirs up society and sows fear, suspicion, and sometimes even panic. Independent journalists write about both Zhirinovskiy and Khasbulatov with incredible superficiality, flippantly, obviously trying to stay beyond commitment and disregarding their absolutely opposite political positions which promise different futures to society.

Our society is gravely ill. Today it should be divided not into democrats and communists but into creators and destroyers. Such a free-for-all in the media does not help society to recover and acts as a destructive force. [applause] But each journalist should depend at least upon the voice of his own conscience and, as a citizen, should work toward construction in the society in which he himself lives.

In conclusion I would like to say that one should not permit the destructive tendencies which have taken shape to block the chances of success for reforms. Without consolidation of legislative and executive powers, without their constructive cooperation with labor collectives and entrepreneurs or without streamlined interaction with regions we will simply not survive today. The joining together of the efforts of all the social strata and political organizations of society is needed in order to take the Russian economy out of the crisis. Only if we carry our heavy burden consistently in the chosen direction—only in this event will we be able to solve the crisis in which the Russian state has found itself today. Thank you.

Dniester Resolution Adopted

LD0804203492 Moscow ITAR-TASS World Service in Russian 1535 GMT 8 Apr 92

[By ITAR-TASS parliamentary correspondent Aleksandr Mineyev]

[Text] Moscow, 8 Apr (TASS)—The Congress of Russian People's Deputies today adopted a resolution in support of the Dniester region population expressing "concern at the ever more frequent violations of human rights in the Republic of Moldova" and confirms its readiness to deploy the Russian 14th Army to separate the opposing sides. The Congress called on the sides in the conflict to stop fighting and acts of violence and to resolve disputed questions through talks. The Russian people's deputies also resolved to turn to the CIS bodies of state authority, first and foremost to Moldova and Ukraine, with the proposal to immediately examine the issue of creating CIS peacekeeping forces to separate the two opposing sides. The resolution confirms Russia's readiness to form a contingent of troops on a volunteer basis from soldiers of the 14th Army to separate the opposing sides and prevent bloodshed until the creation of peacekeeping forces. It expresses the intention to turn to the leaders of the CIS states and the international community with a request to send observers to the conflict zone. The document also contains an instruction to the Russian Federation Government to actively aid talks between the sides involved in the conflict as regards the legal status of the Dniester region within the make-up of the Republic of Moldova in accordance with the principles and norms of the UN Charter.

Further on Speakers' Remarks

LD0804201292 Moscow ITAR-TASS in English 1714 GMT 8 Apr 92

[By TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow April 8 TASS—After a certain lull in criticism of the government during the morning session of the Congress of Russian Peoples' Deputies on Wednesday [8 April], two deputies again blasted the government at the afternoon session demanding its resignation.

Deputy Mikhail Chesnokov demanded to put the present-day government to a no confidence vote, saying it will go down in history as the one which had finally ruined economy "like Herostratus who burned down the temple".

Lidiya Shapovalova joined in saying the policy of the government will not lead to stabilisation as it is anti-popular. She admitted reforms are necessary but not at such an expense. It is necessary either to change the policy or the government, according to the deputy.

Nikolay Travkin, chairman of the Democratic Party of Russia, changed the tune and said it is impossible to demand the resignation of the government and divide powers between the president and the parliament at this crucial stage of reforms. However, certain reshuffling of the cabinet is necessary. There should be two first deputy prime ministers: Yegor Gaydar as a generator of reforms and Vladimir Shumeyko, who is deputy parliamentary speaker, as a practical worker, according to Travkin. The Russian president should be brave enough and sort out his team many of who openly damage reforms, Travkin recommended.

Sergey Filatov, first deputy parliamentary speaker, called to unite efforts of executive and legislative authority to avoid blocking reforms. "The society is ill and it should be divided into creators and destroyers rather than into democrats and conservatives", he said. Certain mass media were listed among destroyers by Filatov.

Opposition Wants Yeltsin's Powers 'Stripped'

LD0904094692 Moscow ITAR-TASS World Service in Russian 0834 GMT 9 Apr 92

[By ITAR-TASS parliamentary correspondent Lyudmila Aleksandrova]

[Text] Moscow, 9 Apr (ITAR-TASS)—The decision of the drafting commission to include a point in the draft decision of the Sixth Congress of the Russian People's Deputies—on stripping the president of the powers which were granted to him by the previous congress—has intensified the situation. Boris Yeltsin's most consistent supporters—the deputies' factions "Democratic

Russia" and "Radical Democrats"—today started gathering signatures under an appeal that demands that the draft decision "On the Progress of the Economic Reform in the Russian Federation," which was prepared by the Drafting Commission of the Congress, be returned for further work.

The president's supporters wish to exclude from the draft the points limiting presidential authority, and also the proposal of the Drafting Commission to call the work of the government unsatisfactory. If the draft is put to a vote in its present form, the "Coalition for Reforms," uniting the two said factions, calls on the democrats not to take part in the voting and to thus ensure the lack of a quorum.

On the eve of the congress, the opposition did not conceal the fact that it intended to deal its main blow at the government by demanding that the president be stripped of his additional powers. What primarily is involved is his right to independently—without agreement with parliament—tackle problems of the structure and personal composition of the government. The abolition of these powers would validate the question being posed of Boris Yeltsin's departure from the post of government chairman, which is what the opposition wants.

If the Drafting Commission does not take into account the numerous demands of deputies to exclude from the draft the point about powers—and its session takes place in the middle of the day—it will be difficult to forecast the outcome of the voting. If the congress, nevertheless, does strip the Russian president of his additional powers, then the cabinet most likely will resign in its entirety.

Ponomarev Shows Support

LD0904012792 Moscow POSTFACTUM in English 1937 GMT 8 Apr 92

[From the "Politics" section]

[Text] Moscow—Lev Ponomarev, Demrossiya leader: We strongly recommended to the president not to retreat on the issue of whether he should remain head of government. 8 April the Russian Federation Supreme Soviet Deputy Lev Ponomarev further stated to PF [POSTFACTUM] that after a comparatively peaceful beginning of the Russian Federation 6th Congress of People's Deputies, the procommunist factions have taken a manifest course for the aggravation of the situation. If the convention votes to deprive Boris Yeltsin of additional powers and the premiership, the president must refuse to fulfill the resolution and to apply directly to the people for support, Ponomarev stressed. Ponomarev is confident that, provided that the referendum question is well-formulated, the people will support the Russian Federation president and not the parliament of Russia.

Shakhray Comments on Resolution

OW0704203892 Moscow INTERFAX in English 1800 GMT 7 Apr 92

[Transmitted via KYODO]

[Text] National adviser of the Russian Federation Sergey Shakhray said that the conservative opposition is attempting to include the issue of distrust and relieving the president of his right to head the government in a draft of the resolution by the Congress. Shakhray spoke with journalists in the halls of the Congress Tuesday [7 April]. Quoting reliable sources, Shakhray said that the opposition "has decided to remove the president from power at any cost".

Shakhray said transferring the army to Russian jurisdiction is an intermediate step. "The majority of republics don't support and don't plan to support servicemen, who are forced to fend for themselves which they accomplish by selling modern technology", he said. "Therefore, Russia must take the army under its jurisdiction in those republics lacking the proper agreements". Shakhray said the purpose of this step is to reduce the armed forces, and hold talks with the republics on the conditions of the presence of Russian forces on their territory or to sign agreements with them on collective defense and united armed forces.

The attempt to preserve and gradually reorganize the unified armed forces of the Commonwealth was met with failure, Shakhray said. "To leave the army to politically and economically govern itself is dangerous for all republics, including Russia", he said.

Volskiy Proposed for Prime Minister

LD0804105792 Moscow Russian Television Network in Russian 1000 GMT 8 Apr 92

[From the "Vesti" newscast]

[Text] The opposition at the Congress of People's Deputies intends to remove Boris Yeltsin from government whatever the cost. This was mentioned by Deputy Prime Minister Shakhray. Volkogonov, presidential adviser, said that the opposition proposes Arkadiy Volskiy for the post of prime minister.

Travkin Says Government To Remain

LD0804135292 Moscow ITAR-TASS in English 1220 GMT 8 Apr 92

[By TASS parliamentary correspondent Lyudmila Aleksandrova]

[Text] Moscow April 8 TASS—The opposition at the 6th Congress of the Russian Peoples' Deputies will not succeed in making the government resign, according to Nikolay Travkin, chairman of the Democratic Party of

Russia. It will also fail to deprive the president of additional powers, he told a news conference on Wednesday [8 April].

"70 per cent of the deputies are sober-minded people and realise that a sharp turn, a change of government is inadmissible", Travkin said.

However, he believes the government should be strengthened by "practically and pragmatically-minded people". Deputy Parliamentray Speaker Vladimir Shumeyko is one of them, according to Travkin. He is a good candidate to the post of first deputy prime minister in addition to Yegor Gaydar, the Democratic Party chairman holds.

But Travkin blasted the insitute of presidential and state aids. Most of his criticism was voiced against Gennadiy Burbulis.

Further on News Conference

LD0904013292 Moscow POSTFACTUM in English 1937 GMT 8 Apr 92

[From the "Politics" section]

[Text] Moscow—Nikolay Travkin, the DPR (Democratic Party of Russia) leader, suggested that Vladimir Shumeyko, deputy chairman, Russia's Supreme Soviet, be appointed first deputy chairman, Russian Federation minister's cabinet. Addressing a press conference in an interval between the sessions of the 6th Congress of Russian Federation People's Deputies on 8 April, Travkin further stressed: Shumeyko must be twinned with Yegor Gaydar, and, if the latter is a generator of reforms, the former could render a balancing and stabilizing influence. Travkin was critical of Gennadiy Burbulis who, according to himself, had manifested a courtier's intrigue essence. It was he who had formed the Russian Federation presidential entourage in the persons of Makharadze, Boldyrev and other clerks who arouse a just public indignation now. I am concerned about the statements by Burbulis to the effect that his team would stop at nothing. Travkin pointed out that Burbulis in due time had been the DPR deputy chairman. Travkin further criticized the Russian Federation presidential advisors Galina Starovoytova, Sergey Stankevich and went on record in principle for doing away with the institute of presidential state advisors and his envoys in the provinces. At the same time, Travkin was against the change of the government as a whole after Boris Yeltsin, Russia's president departure of post of the head of government and in general, against reducing his powers. You can achieve anything not through a committee but through a one-man command, Travkin stressed.

Cabinet Removal Danger 'Subsiding'

LD0804100992 Moscow ITAR-TASS in English 0942 GMT 8 Apr 92

[By ITAR-TASS parliamentary correspondent Ivan Ivanov]

[Text] Moscow April 8 TASS—The danger of the Russian Cabinet being forced to resign, which seemed quite imminent on the eve of the Russian Congress of People's Deputies, now in its third day here, appears to be subsiding. Today's deliberations on the economic reforms in Russia are proceeding without sensations.

They were not affected even by a draft resolution on the government's work during the period of economic reform, which was handed out to the deputies before the morning session. This toughly worded document rules unsatisfactory the president's and government's work, claiming that this was due to their "renunciation of the initially mapped out course for switching over to a market economy without lowering the living standards", their failure to resolve problems relating to the agro-industrial complex and their "recognition of black marketeering as a legal form of commerce in conditions when most goods are in short supply".

The document recommends Yeltsin to submit to the Congress a candidature to the post head of cabinet.

Taking the floor after Yeltsin's and Gaydar's reports, delivered the day before, most deputies called today for amendments to the present economic course and changes in the composition of the government. However, no new candidates to the Cabinet have been named so far.

Representative from the "industrial union" Veniyamin Duyev said his faction "does not call for the Cabinet's resignation, but favours its reinforcement by practically-minded specialists". He moved that the Supreme Soviet should resume the practice of endorsing ministers and, thereby, "share with the government the entire responsibility for the ongoing reforms".

Representative from the "Replacement—New Policy" faction Sergey Polozkov was among the few deputies, who bluntly demanded that Yeltsin should relinquish the post of head of government. He believes this post should be held by an "administrative official with a sufficiently solid background". Though Polozkov gave a very low mark to the government's 6-month work, he said he preferred it to remain "for another term".

The government's work was assessed as unsatisfactory also by Gennadiy Dudayev of the "Agrarian Union". He called for the Cabinet's resignation. Dudayev vehemently opposed the Cabinet's agrarian policy. He believes "the countryside cannot be a subject of market relations now without solid state backing".

During today's morning session the floor was taken by two members of the present Cabinet: Minister for Industry Aleksandr Titkin and Chairman of the State Committee for Managing State Property Anatoliy Chubays. Judging by their tone, the government does not intend to make excuses to the deputies. Titkin noted that the Cabinet was "ready to amend the course of reforms", but expressed conviction that it would be successful. Moreover, he stressed that any change of the government

would be a mistake in the present tense situation. This echoes the view of Boris Yeltsin, head of the Cabinet, who assured the Congress yesterday that the government "intends to continue its course, no matter how difficult this is in conditions of vehement criticism and opposition of the conservative forces".

Ryabov Says Change in Government Not Intended

LD0804093192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 0800 GMT 8 Apr 92

[Report by correspondent Vladimir Perfilyev from the Sixth Congress of People's Deputies of the Russian Federation at the Kremlin; including interview with Nikolay Timofeyevich Ryabov, chairman of the Soviet of the Republic of the Russian Supreme Soviet; from the "Novosti" newscast—live]

[Text] [Perfilyev] A break has just been announced at the Congress. The fifth sitting has ended. Yeltsin's statement that Russia needs millions of well-off free people and not a bunch of millionaires seems to have consolidated people's deputies today, and discussion mainly concentrated on the way to take the country out of a difficult situation. If the critics of the government maintained that Russia is plagued by increased difficulties, the supporters argued that these are routine difficulties. In any case, a situation has taken shape when confrontation is in evidence between two choices: to discuss political issues or to discuss economic issues.

In order to clarify the situation I invited Nikolay Timofeyevich Ryabov, chairman of the Supreme Soviet's Chamber, to our microphone. Nikolay Timofeyevich, in your view, what will be the Congress' progress?

[Ryabov] I am stating with full confidence that the Sixth Congress is not a congress of political debate but that of constructive businesslike work on the main problems of our people: the problems of economic reform, the way to ensure its more efficient progress; it should not be carried out at the expense of people. Therefore, this Congress is far removed from policy in the sense you imply. And now, indeed, discussion is under way, and the deputies that are taking the floor have brought to this hall the entire anguish and worries of our people. After all, the people are not against reform, the people are against the way they are being implemented, against the consequences they entail. And this is what deputies are talking about, and I believe that this discussion will result in very serious decisions by the Congress related to the ideology of the economic reforms.

[Perfilyev] The phrase that they do not change horses in mid-stream already sounded today. This phrase was said about the government. Nevertheless, the government was sharply criticized. How will events develop?

[Ryabov] Well, one should not bundle together criticism and change of government. We still need this government today, but we cannot allow that it implement its ideas independently, without control or corrections. Indeed, we do not intend to change the government, and deputies have said this unequivocally, at least in sociological polls and in their speeches. At the same time, it seems that certain corrections will have to be introduced. The president and deputies have mentioned this. The experience of economic managers should be combined with scientific theories. Without this the efficient implementation of reforms is impossible.

[Perfilyev] Well, I thank Nikolay Timofeyevich Ryabov for his participation in our direct relay and wind up my report from St. George's Hall in the Kremlin.

Deputies Seek Break To Consult Yeltsin

LD0904011692 Moscow POSTFACTUM in English 1937 GMT 8 Apr 92

[From the "Politics" section]

[Text] Moscow—The Russian parliament's coalition of reforms calls for announcing a one-day break in the proceedings of the Sixth Congress of Russian People's Deputies. Democratic Russia group coordinator Vyacheslav Volkov told POSTFACTUM on April 8. The Congress should be suspended to enable groups to consult Russian President Boris Yeltsin on consolidating actions and on specific figures in the government.

The attempt to reach agreement with the coordinators of the Rossiyskoye Edinstvo (Russian Unity) bloc groups, taken by coordinators of the Democratic group in the lobby of the Congress, was in vain. Ivan Rybkin, coordinator of the Communists of Russia group, told POSTFACTUM that in principle the bloc headed by him was not against talking with the president about the government but only after the president announces at the Congress the candidacy for the post of prime minister. Volkov told POSTFACTUM that in his view democratic groups members will try to put the issue of a break in the Congress's proceedings to a vote.

Evaluating the draft resolution on the reports by the Russian president and government, which were approved by the editorial commission (the draft includes as alternative proposals points about evaluating the government's performance as unsatisfactory, about stripping the president of additional powers and making public by him within the seven-day term the candidacy for the post of prime minister of the Russian Government), Volkov noted that if the Congress votes in favour of the alternative points, people's deputies who are members of the coalition of reforms may walk out and the president put the issue of the government and additional powers to a nation-wide referendum.

Congress Deputies 'Dissatisfied' With Reform

LD0804121592 Moscow ITAR-TASS in English 1114 GMT 8 Apr 92

[BY unidentified ITAR-TASS correspondent]

[Text] Moscow April 8 TASS— The 6th Congress of People's Deputies of Russia continued to discuss the progress of economic reforms in the country today morning. The deliberations will most probably continue throughout the day. Two-thirds of the deputies have asked for the floor. However, not everybody will apparently be able to address the Congress.

More than 70 per cent of the people's deputies are dissatisfied with the results of the ongoing economic reform. According to a sociological poll, conducted before the Congress, only 4.8 per cent of the deputies are satisfied with the progress of the reforms. Only five per cent of the respondents fully support the government's economic course, 47.7 per cent of those polled believe it is "correct in principle", but requires substantial amendments. About 34 per cent of the respondents demand urgent changes in the economic policy.

The Congress of People's Deputies of Russia opened in the Kremlin on Monday [6 April]. According to tentative assessments, it is to last approximately ten days. Besides the economic reform, the Congress is to discuss also the draft constitution of the Russian Federation, Russia's position in the Commonwealth of Independent States, and prospects for relations with other members of the community. It is also expected to resolve several other important problems of the country's life.

Draft Resolution Says Government Losing Control

LD0804182292 Moscow ITAR-TASS in English 1726 GMT 8 Apr 92

[By ITAR-TASS parliamentary correspondent Nikolay Zheleznov]

[Text] Moscow April 8 TASS—The Government of Russia, upon failing to create effective economic levers, is losing control of the state sector of the economy. Such is a general evaluation of the course of economic reforms as set out in a draft resolution of the sixth Congress of Russia's Peoples Deputies on the issue. The document was distributed among deputies today.

Reaffirming the need for a course towards transition to a free market economy, the authors of the document evaluate the course of the economic reform as unsatisfactory both in the social protection of citizens and in the investment, industrial and agrarian policies.

The document maintains that the government "poorly coordinates activities to effect the economic reform with local authorities and managerial bodies, directors of enterprises and work collectives".

It is suggested that the president of the Russian Federation introduce "substantial adjustments to tactics and methods of the realisation of the reform", work out and submit them to the Russian Parliament with due regard for remarks and proposals expressed by people's deputies at the congress. "The social protection of the lowest-incomed citizens" has the highest priority among these adjustments.

As far as the government is concerned, the draft resolution envisages two options. One of them is to suggest that the president of Russia submit a bill "on the government of the Russian Federation" to the parliament within one month.

The other version is that a candidacy for the post of a chairman of the Council of Ministers (Government) of the Russian Federation should be submitted to the parliament for coordination while the congress is in session.

Under these conditions, the government, naturally, will have to suggest its own, alternative version of a draft resolution to this effect. Such a draft resolution is being prepared, an ITAR-TASS correspondent has learned in the congress lobby.

New Version of Economic Reform Resolution Eyed

LD0904150592 Moscow ITAR-TASS in English 1432 GMT 9 Apr 92

[By ITAR-TASS parliamentary correspondent Lyudmila Aleksandrova]

[Text] Moscow April 9 TASS—The editorial commission to draft a resolution of the Congress of Russia's People's Deputies "on the course of the economic reform in the Russian Federation" worked out a new version of the document today.

It has become known from informed sources that the new version unlike Wednesday's [8 April] does not contain an open demand for the revocation of the additional powers given to the president by the previous congress.

However, this question is raised in a veiled form: point 4 makes it incumbent upon the president "to present the Russian parliament with a candidacy for the post of a chairman of government of the Russian Federation while the congress is in session."

Thereby the president would be virtually deprived of the right to independently make cabinet personnel appointments. If this version is accepted, the question of Boris Yeltsin's resignation from the post of the chairman of government, which the opposition presses for, may be raised.

Point 6 of the draft resolution instructs the parliament to form a deputies' commission to monitor the Russian Government's further work with the International Monetary Fund and other international financial organisations.

The draft resolution recognises as unsatisfactory the government's measures to effect reform as regards social

protection, the prevention of a slump in industrial production, personnel policy, and overcoming the monopolism of state agencies in the sphere of production and distribution.

The editorial commission continues to work on the draft document. Meanwhile deputies continue to discuss the item on the agenda concerning the course of the economic reform.

Coalition Offers Alternative Draft on Reform

OW0904111492 Moscow INTERFAX in English 1039 GMT 9 Apr 92

[Transmitted via KYODO]

[Text] The Coalition for Reforms at the Congress of People's Deputies has suggested reworking the draft resolution on economic reforms in the Russian Federation written by the drafting commission. It disagrees with the negative assessment of the work of the government in the document as well as the demand to strip the president of his additional powers. If the draft is put to vote the Coalition for Reforms uniting parliamentary factions Democratic Russia, Radical Democrats, Workers' Union and Non-Party Deputies threatened to abstain from voting.

The coalition has worked out its own draft resolution declaring the efforts of the cabinet in some sphere insufficient and demanding greater efficiency.

Unlike the draft of the coalition several other alternative versions of the official draft call for the removal of the president from the post of premier, the separation of the functions of the head of state and head of government as well as the resignation of the government. In the opinion of the chairman of the Committee for Economic Reforms Sergey Krasavchenko, the government strategy will be supported by the deputies, because the congress did not put forward any serious proposals that could make up an alternative economic program.

Yeltsin May Make Direct Appeal If Blocked

LD0904123392 Moscow ITAR-TASS World Service in Russian 1140 GMT 9 Apr 92

[By ITAR-TASS parliamentary correspondent Tamara Ivanova]

[Text] Moscow, 9 Apr (ITAR-TASS)—"Should the Sixth Congress of People's Deputies adopt a decision prohibiting the president from heading the government there will be a deep government-parliamentary crisis," says Galina Starovoytova, adviser to the president of Russia.

Talking to journalists in the corridors of the Congress, she said that if this decision is taken Boris Yeltsin will make a special statement. In his words, "this will be a direct appeal to the electorate, straight to the people, over the head of Congress."

Galina Starovoytova thinks that the issue could also be raised of cancelling the powers of people's deputies ahead of time. The government and the Congress "can only go together," she said.

Starovoytova Denies Dissolution Plans

LD0904223892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2000 GMT 9 Apr 92

[Report by Tatyana Mitkova from the "Novosti" newscast]

[Text] A few minutes before we went on the air we received a telephone call from Galina Vasilyevna Starovoytova, one of the president's advisers. She asked us to deny a RIA report carried in the last edition of "Vesti". "Vesti" itself did not have an opportunity to do this. The agency had reported Starovoytova as saying that, if the voting went badly for him, Boris Yeltsin would end the mandates of people's deputies attending the congress earlier than scheduled. Galina Starovoytova said she told journalists nothing of the sort. She asked for a denial to be put out, believing that such reports can only destabilize the atmosphere at the congress on the eve of the decisive day.

Shustov Warns Yeltsin To Appeal For Help

OW0904111292 Moscow INTERFAX in English 1039 GMT 9 Apr 92

[Transmitted via KYODO]

[Text] Boris Yeltsin will appeal directly to the people for support, if the current Congress of People's Deputies decides to strip him of additional powers or remove him from the post of premier which will lead to the resignation of the entire cabinet. The statement was made on Thursday [9 April] in an interview with IF [INTERFAX] by Stanislav Shustov, a member of the parliamentary-government coalition in support of economic reforms set up on Monday.

In his opinion the voting on the resolution on economic reforms will be determined by the stand of one of the biggest factions, the Industrial Union. The coordinator of the faction Yuriy Gekht told IF that industry representatives support the reforms, but insist on the resignation of Boris Yeltsin from the post of Prime-Minister. He said that the best candidates to the post are deputy chairman of parliament Vladimir Shumeyko and secretary of the Security Council Yuriy Skokov.

Shokhin Says Resignation May End Foreign Aid

LD0904141592 Moscow ITAR-TASS in English 1342 GMT 9 Apr 92

[By ITAR-TASS correspondent Sergey Podyapolskiy]

[Text] Moscow April 9 TASS—"The present government's resignation, demanded by some deputies, may derange economic management and thwart the reform,"

Russian Vice-Premier Aleksandr Shokhin told reporters during a recession in the work of the Congress of People's Deputies here.

Shokhin said that yesterday the government addressed an appeal to the Russian president, saying that it would resign, if the Congress adopted a decision to remove Yeltsin from the post of head of the Cabinet. "I think many deputies do not realise that their decision to appoint a new premier would put an end to the present Cabinet and lead to inevitably long and painful searches for new ministers," he said, "Let alone to the possible loss of the Western Economic Community's financial support to the reform".

According to the vice-premier, the G-7 nations and the International Monetary Fund had decided to support the Russian reform, believing that it is irreversible and that the political and social stability in Russia would be preserved. "If cabinet reshuffles and an abrupt amendment of the current course were to begin, the promised 24 billion U.S. dollars would be lost, and Russia would not be able to make up for them from its own resources for many long years," he stressed.

At the same time, Shokhin believes partial changes in the composition and structure of the Cabinet are inevitable, as well as some amendments to its policy.

'Only a Madman' Could Call For No Confidence

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[Text] Moscow April 9 ITAR-TASS—"Only a madman can question the existence of the present government. If this question is raised, we shall all resign," Valeriy Makharadze, Russian vice- premier, today told Moscow Television. He made the statement in the lobbies of the Congress of People's Deputies, which is now under way here. Many speakers, who took the floor during the debate on the progress of the economic reform, which is in its fourth day, have called for a non-confidence vote to the cabinet headed by President Yeltsin, blaming it for a complete breakdown of the Russian economy.

Makharadze believes the congress could only raise the question of the present government's "reinforcement with additional professionals", but not the question of its resignation.

He also regards as very unserious for "a state body of such a high standing as the congress" to call for the withdrawal of powers "granted to the president only three months ago".

Makharadze admitted that there were some constructive speeches during the congress, which were of practical importance "for the implementation of macroeconomic plans, which the government wants to carry out". At the same time, he said that most speeches were of a "populist-political character".

"Amendments must be made to the current reform, but they must be of a principled nature," the vice-premier believes.

Yeltsin To Ask Support If Stripped of Premiership

OW0904134692 Moscow INTERFAX in English 1308 GMT 9 Apr 92

[Transmitted via KYODO]

[Text] Presidential adviser Galina Starovoytova has told journalists that Boris Yeltsin might tender his resignation if the congress expressed no confidence in the government.

She said during his Thursday [9 April] meeting with parliamentary faction leaders Yeltsin had announced his intention to appeal to the nation for support if the congress deprived him of his emergency powers or demanded his resignation as prime minister.

The president confirmed readiness to involve a number of leading industrial managers in the government.

According to Starovoytova, most faction leaders approved of the presidential stand. She said he could rely for support on an estimated 52-55 percent of the congress deputies.

Central Bank Chairman To Resign With President

OW0904175992 Moscow INTERFAX in English 1645 GMT 9 Apr 92

[Transmitted via KYODO]

[Text] Chairman of the Central Bank of Russia Georgiy Matyukhin told "INTERFAX" Thursday [9 April] that he plans to resign if the government and president resign. He said that the "mutual understanding" which exists between the government and the bank is needed for the Central Bank of Russia to be productive. Matyukhin added that his disagreements with President Yeltsin "are insignificant".